SOLAR

Safety • Quality • Reliability

May 16, 2022

To,
The Executive Director
Listing Department
BSE Limited
Floor No. 25, PJ Towers
Dalal Street
Mumbai – 400001.
Security Code : 532725

To,
The Executive Director
Listing Department
National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex Bandra (E)
Mumbai.

Symbol : "SOLARINDS"

Sub: Integrated Annual Report for the financial year 2021-22 including Notice convening 27th Annual General Meeting (AGM) and Intimation of Record Date.

Dear Sir/Madam,

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 2021-22 including the Notice convening 27th Annual General Meeting ("Notice") sent to the members through electronic mode. The AGM of the Company will be held on Friday, June 10, 2022, at 11.30 a.m. (1ST) 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 2021-22 is also being made available on the website of the Company at: www.solargroup.com.

Further, to our letter no. dated May 3, 2022, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Monday, May 30, 2022 as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2022. Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on Saturday, June 18, 2022.

This is for your information and records.

Thanking you,

Yours Truly,

For Solar Industries India Limited

Khushboo Anish Pasari
Digitally signed by Khushboo Anish Pasari
Date: 2022.05.16 20:37:05 +05'30'

Khushboo Pasari
Company Secretary &
Compliance Officer

27th Annual Report
2021-22

SOLAR INDUSTRIES INDIA LIMITED

उन्नति के सफर पर।

We script our success stories by expanding offerings for mining and defence applications.

A strategic blend of technological prowess and talent pool provides us a competitive edge. Our intent to create sustainable value for all stakeholders drives excellence and sets us on the path to prosperity.

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Scan QR code to see this report online

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Page reference inside the report

Reference for online

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.

About Solar Industries

Driving 25+ years of excellence

A global manufacturer of industrial explosives and initiating systems, Solar Industries India Limited (Solar) continues to lead the industry space despite the challenges. Leveraging its early-mover advantage as a private player in the defence sector, it now stands at an inflection point to capitalise on emerging opportunities in the sector.

For more than 25 years, we have continued to grow our capacities, capabilities and in turn, value for our stakeholders. Our passion to explore emerging opportunities and re-engineer our business processes, has led to our growth in the industry.

We have met our customers' needs and contributed to the nation's development with our innovative strategies and focused commitments. With an integrated business model, we have widened our market presence globally to more than 65 countries.

Led by our Chairman and visionary, Mr. Satyanarayan Nuwal, the Company is positioned perfectly to deliver sustainable growth with a well-balanced business portfolio that extends across industrial explosives and ammunition. Prudent capital investments across businesses has strengthened our market leadership for key products in domestic and international markets.

Our vision

To emerge as a global leader in the manufacturing of explosives for Defence and Mining industries and an innovative solution provider with 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 **Highest Safety Standards, Quality & Reliability** of our solutions with commitment to environmental safeguards.
- To **Nurture Collaborations and Partnerships** that are complimentary to the Company's global ambitions.

Future-ready Solar

Our building blocks to create stakeholder value

Market share
Extend leadership in India through an extensive product portfolio

Quality
Deliver products that provide maximum value for our customers, being the most trusted, relevant and purpose-driven brand

Low debt
A strong balance sheet with a low debt-equity ratio of 0.41

Talent and culture
An empowered workforce with an evolving culture to remain competitive at a global scale

Technology
We continue to strengthen technology as an enabler and driver of sustained business growth

International market
A growing international footprint with presence in 65 countries and manufacturing facilities in 7 countries

Manufacturing Facility at South Africa.

Focused on exce

ellence

₹ 3,948 Crore

57% YoY increase in revenue

60%

YoY increase in Profits (PAT)

22%

YoY increase in Explosive volumes in the domestic market

₹ 25,359 Crore

Market Capitalisation as on March 31, 2022

60%

YoY increase in earnings per share

₹ 7.50

Dividend per share (25% up from last year)

₹ 2,982 Crore

Order Book as on March 31, 2022

4,14,304

Multi-mode Hand Grenades (MMHG) supplied to the armed forces

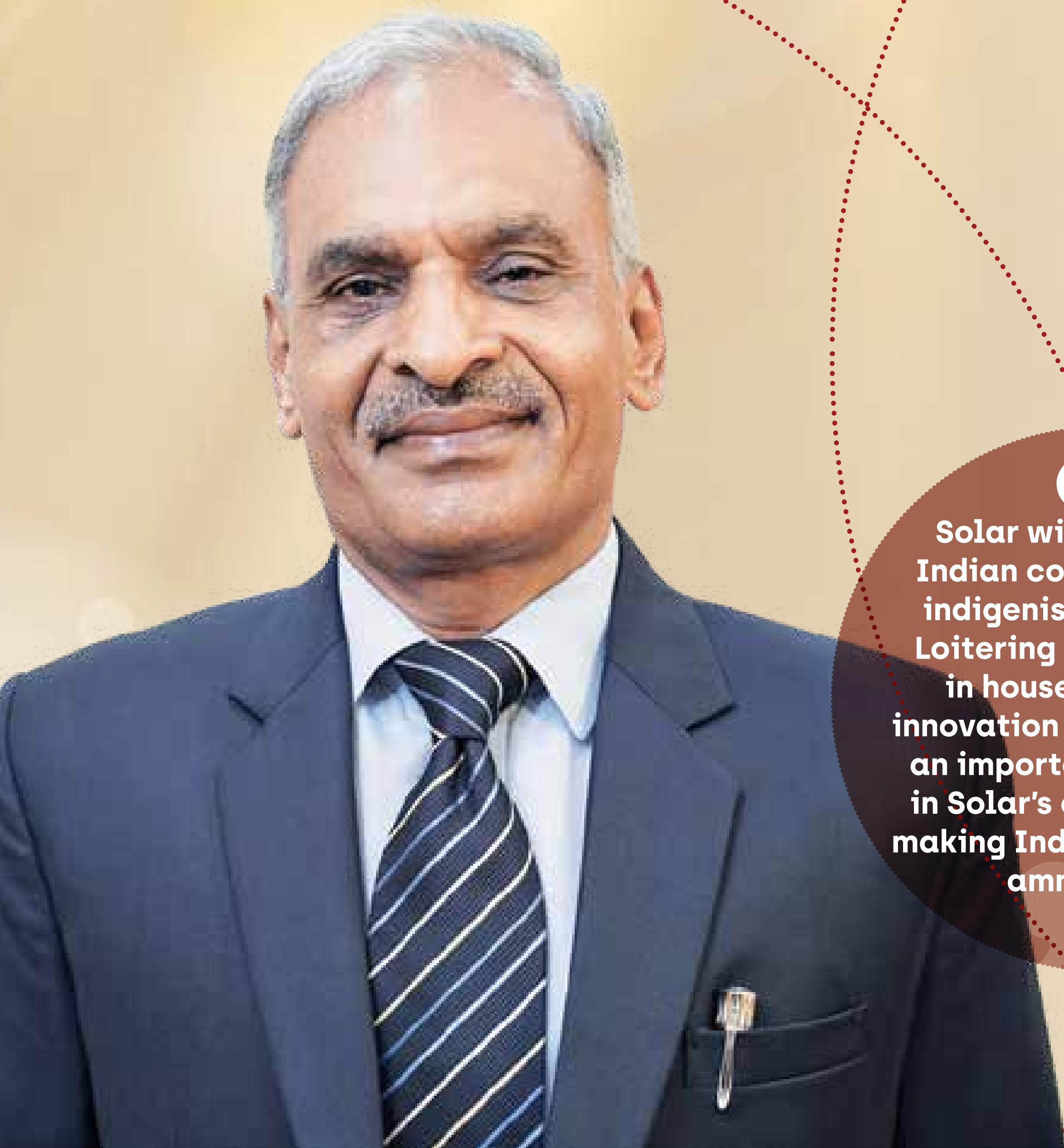
7,500+

Workforce as on March 31, 2022

All figures pertain to FY 2021-22

Chairman's insights

Prospering with all stakeholders



> Solar will be the first Indian company to fully indigenise and develop Loitering Munitions (LM) in house. This Indian innovation will prove to be an important step ahead in Solar's commitment of making India self reliant in ammunition.

Dear Shareholders,

On behalf of Solar Industries India Limited, I extend my warmest greetings to you. I hope you and your family are safe and in good health. It gives me great pleasure to present the Company's 27th Annual Report for FY 2021-22.

Our Strength, Our People

As we continue to navigate the uncertainties of the Covid-19 pandemic, safety and well-being of our employees still remain our topmost priority. Through these arduous times, our team at Solar has shown great resilience and strength to ensure uninterrupted operations. To support our employees, we established work-from-home infrastructure, periodically conducted RT-PCR testing and provided free vaccinations. The pandemic took the world by storm and still continues to disrupt people across the globe and I would like to laud the heroic efforts of all the frontline workers, who directly engage in the fight against the virus every day and illuminate the way for humanity.

Reflecting on FY 2021-22

After a tumultuous two years post the outbreak of the Covid-19 pandemic, the global economy has shown steady progress and recovery. Some developed economies have played a crucial role in the global economic recovery while developing economies are anticipated to experience growth. Equitable vaccine distribution and headway in medical research across the world have been crucial steps that have helped minimise the repercussions of the pandemic and gave the global economy growth a chance to recover again.

Additionally, the government has bolstered the Indian defence sector by allocating 25% of the defence R&D budget to the private sector, which will go a long way towards breaking the public sector's monopoly on creating cutting-edge military equipment.

The Indian economy is projected to grow by 8.9% in FY 2021-22, at the backdrop of favourable reforms and increased domestic consumption. The country's strong economic fundamental will help withstand short-term pressures of inflations and remain a fast growing economy in the world.

The Union Budget of FY 2022-23 has focused on overall economic growth, there has been an increase of 35.4% in Capital Expenditure as compared to FY 2021-22 which is bound to boost the economy. The budget has laid a notable emphasis on infrastructure as well as increasing support for small and medium businesses.

Additionally, the government has bolstered the Indian defence sector by allocating 25% of the defence R&D budget to the private sector, which will go a long way towards breaking the public sector's monopoly on creating cutting-edge military equipment.

In keeping with the government's Aatmanirbhar Bharat goal, 68% of capex is designated for domestic procurement, which is up by 10% over the previous budget and will reduce India's dependency on defence imports. The government also catered to the long-standing demand of the defence industry by introducing a nodal umbrella body for testing and certification.

Based on synchronised growth across major industries and supportive government reforms, the country is looking forward to a brighter future.

Business Performance

We have secured outstanding progress in FY 2021-22. Robust growth and project execution across all sectors have enabled us to surpass yearly revenue growth targets. Our sales stood at ₹ 3948 Crore for the current fiscal year, in comparison to ₹ 2516 Crore in the previous year, a 57% increase. We recorded EBITDA margins of 19.43%, as against 21.31% the year before, and our Net Profit stood at ₹ 441 Crore, compared to ₹ 276 Crore in the previous year.

Despite challenges related to an unprecedented increase in commodity prices across business verticals, increased freight and forwarding charges and foreign exchange fluctuations, we have demonstrated a strong financial performance during the year. We have also successfully commenced commercial execution of Multi Mode Hand Grenades (MMHG) orders from the defence industry. The defence sector continues to contribute to our top line along with other industries like mining, exports, overseas markets, housing and infrastructure. To keep pace with advancements in defence technologies and adopt force multipliers to counter enemy threats we took up the challenge to enter the field of drones and counter drones. Our drones can be used in both offensive and defensive roles. In offensive role these drones can be used to target enemy troops, bunkers, vehicles and tanks. In defensive role we have developed anti-drone system capable of soft kill and hard kill using micro-missiles.

A loitering munition (LM) (also known as a suicide drone or kamikaze drone) is a weapon system category in which the munition loiters around the target area for some time, searches for targets, and attacks once a target is located. Solar will be the first Indian company to fully indigenise and develop loitering munitions (LM) in-house. This Indian innovation will prove to be an important step ahead in Solar's commitment of making India self reliant in ammunition.

Positioning for Future Growth

We are committed to deliver continued and profitable business growth. Our positioning for future growth is driven by our refreshed strategy for moving forward. All our endeavours are part of a collective effort by our employees and a commendable cross-departmental collaboration. Each of our departments is led by senior management personnel, with extensive knowledge in their respective areas which they effectively execute across their departments.

With an extended focus on developing new and upgraded products, the Company aims to strategically focus on increasing its contribution to the defence sector and upgrading its existing skills. Over the short-term, we are aiming to improve product as well as process efficiency, and in order to do that we are we are stepping up technological innovation to support cutting-edge processes and upgrading our infrastructure to adapt to best industry practices.

As we forge ahead, we aim to further strengthen our position as global leaders in the explosives industry. To achieve our long-term objectives, we have announced green field investments in Australia. The proposed cartridge plant in Australia is also expected to be a key investment area that is anticipated to further aid our efforts to shorten delivery time to the customers.

The Indian economy offers promising prospects for the growth of the organisation. With better opportunities, the government's focus on sectors like infrastructure and real estate and emphasis on Atmanirbhar Bharat, Make in India, PM GatiShakti National Master Plan (PMGS-NMP), Pradhan Mantri Awas Yojana, and Housing for All, we are poised to capitalise on emerging opportunities within the country. We are optimistic that with the increased outlay for infrastructure and defence procurement, particularly with the stated policy of procuring 68% from domestic industry, industries like ours will be benefitted to a great extent.

We are not only expanding our geographical footprint, but also improving production facilities and internal capabilities by developing new and improved products in India to cement our position in an evolving market. In the overseas market, we have a strong presence in Turkey, Nigeria, Zambia, South Africa and have started operations in Tanzania and Ghana. Additionally we endeavour to broaden our reach, enhance our product portfolio and sustain market leadership in emerging markets around the world.

Dividend

We have recommended the dividend payout of 375% this year which is 25% more than the previous year.

Occupational Health

Solar is dedicated to providing a safe and healthy working environment to all its employees and workers. Our Safety, Health and Environment management is based on ISO 14001/2015 and OHSAS/800/2007 principles and supplemented by stringent regulatory standards. Our health and safety policy takes into account all occupational hazards and diligently undertakes efforts to propagate training on workplace safety. Benefits such as insurance, retirement plans, healthcare, and disability coverage are also offered to our employees.

Ethical Governance

As a responsible organisation, we lay great emphasis on corporate governance to ensure business sustainability. At Solar, we follow transparent reporting practices and consistently improve internal communication systems to create a robust corporate governance policy that focuses on active and meaningful engagement with the stakeholder community.

Sustainability, Our Responsibility

We, at solar believe in equating our growth with sustainable development of the planet. We are constantly advancing the ESG agenda by incorporating long-term sustainability into our core business operations. Our approach to sustainability is in line with the UN sustainable development goals. We have a comprehensive policy structure to guide our sustainability agenda which is in accordance with our mission. Our sustainability policies have been designed to meet the needs of our entire business.

We have taken several initiatives for reducing our emissions as well as energy and water consumption to ensure responsible operations for the safety of our environment, we regularly monitor our emissions and take necessary steps to reduce them. By following the emission requirements set forth in the Maharashtra Pollution Control Board's permission to operate (MPCB), we make sure to be a responsible and environmentally conscious Company. We understand the need to source water from surface sources and are diligently working towards water harvesting and pond building initiatives as well.

Service to Community

Solar makes it a priority to reach out to the underprivileged communities. We truly believe in making a difference in society by addressing issues related to 'human dignity' instead of just focusing on material prosperity. Our belief is built upon the concept of 'trusteeship', which permits us to look beyond our commercial interests and allows us to play our part in minimising economic inequalities. It also influences our CSR initiatives and enables us to effectively contribute to the socio-economic development of the communities in which we operate.

We have been able to achieve this by building infrastructures and developing dedicated skill development programmes to create employment along with building schools in several locations within the vicinity of our plant. We have also built and renovated hospitals and rehabilitation centres in order to work towards the health and hygiene of the underprivileged society.

We continually engage with our stakeholders since they are the heart of our Company and our goal remains to preserve all of our stakeholders' interests in our operations and business decisions.

Gratitude

I would like to take this opportunity to thank the entire Solar team, for their perseverance, hard work and dedication towards the Company. Each member of our team has served as a source of inspiration and despite difficulties, has helped to accomplish organisational objectives. I am truly humbled by the ability of the leadership team and the employees to remain steadfast in the face of hardship. I also remain thankful to our customers, suppliers, shareholders, business partners, and other stakeholders for their unwavering support. I look forward to continue on this truly gratifying journey to ensure success.

Regards

Satyanarayan Nuwal
Chairman

Managing Director's perspective

Seizing opportunities for growth

> We are a technology driven Company equipped with world class facilities, working towards creating better customer experience and a promising tomorrow.

Dear Shareholders,

Over the past two years, our resilience was put to test and we emerged stronger by leveraging our core capabilities and an ardent zeal to explore new opportunities. As we stand at the cusp of another financial year, we look forward with greater enthusiasm and a belief to lead the Company towards newer heights of success.

We had given a guidance of 30% growth for FY 2021-22, however, we superseded the top line by 57%. We are projecting a growth of 30% in our revenues in FY 2022-23.

22%
YoY increase in Explosive volumes in the domestic market

Resilient Spirit

We, at Solar, have always been adaptive and evolving. Our prudent policies, proactive strategic investments and meticulous execution have helped us combat challenges and reaffirm our resilience.

The robust growth, both in volumes and market share, have been enhanced irrespective of uncertainties revolving around the business. There was unprecedented hike in commodity prices, logistics cost and forex volatility. Our strong value proposition and prudent business model helped us register optimum production and steady supply of our products, while meeting customer expectations.

In a volatile business environment, Solar recorded an EBITDA of ₹ 767 Crore as against ₹ 536 Crore in the previous year, registering 43% growth, while PAT grew by 60% YoY from ₹ 276 Crore in FY 2020-21 to ₹ 441 Crore in FY 2021-22. The order book value stands at ₹ 2982 Crore (on a consolidated basis), with net debt to equity ratio at 0.41 and ROE at 23% as on 31st March, 2022. We were able to achieve commendable financial performance on the basis of strong business model and operational excellence.

The upswing in mining activities and revival in housing and infrastructure are sure signals of economic revival. The Company was able to record the sales of 4,06,372 MT explosives for FY 2021-22 as against 3,33,082 MT explosives in FY 2020-21, registering a 22% growth.

The Government of India's vision to make India a $5 trillion economy by 2026 is reflected in the enormous push given for Infrastructure development with great emphasis on Roads, Railways, Ports, Airports, among others. Doubling of highway construction to 25,000 KMs in FY 2022-23 and plan to construct 80 lakh houses for weaker sections will result in good demand for explosives.

The Defence Minister has issued a third Positive Indigenisation List of 101 items of defence requirement that the Ministry will stop importing in a phased manner and will procure from indigenous sources. These measures combined with the Government's aim to procure 68% from domestic Industry, augurs well for companies like ours.

Various measures like PM Gati Shakti, PLI Schemes, PM Awas Yojana, Atmanirbhar Bharat and Housing for all are aimed at boosting the GDP and facilitate employment generation. We, at Solar, are confident of sustained growth in the coming years

Our revenues are also expected to increase in the next fiscal owing to a demand surge across all verticals. A noteworthy order worth ₹ 1,471 Crore, from Coal India Limited and SCCL is also anticipated to boost our revenue growth in the near term. Moreover, with our ability to cater to market demand and make astute investments in products for defence applications, we are confident about maintaining the growth trajectory and maximising value creation for stakeholders.

"Further,we also welcome the Government's desire to bring down fiscal deficit to 6.4% in FY 2022-23 compared to 6.9% in FY 2021-22."

Innovation

The Company has invested in developing new products and will keep identifying opportunities to channel advanced technologies. We have invested in Sky Root Aerospace, ZMotion Systems Automation, apart from building a state-of-the-art centre of excellence where innovative ideas are given wings.

We will keep identifying such opportunities to enhance our technological prowess.

Agile and Responsive

The Government of India has stepped up its defence investment as well as its efforts to bring private parties into the manufacturing of defence and space sector. In the Union Budget 2022, the Government has allocated significant investments towards the space sector and infrastructure development.

Additionally it is emphasising the Aatmanirbhar Bharat mission to reduce India's dependency on imports by promoting local production. These initiatives will boost the economy while also providing a multitude of opportunities for Solar.

While we look to expand our business operations, our commitment to the Company's ESG vision is unwavering. We acknowledge our responsibility towards future generations and the necessity to strive for sustainable environmental management. On the environmental aspect, we remain focused on reducing our emissions, conserving water and electricity, and recycling and re-using waste. Through our CSR initiatives we endeavour to create lasting social impact, contributing towards the empowerment of our people and communities. We shall continue to lift our ESG ambition and action to create meaningful changes, moving towards a more sustainable planet.

Despite challenges in the operating environment, we remain committed to the highest standards of corporate governance, principles and practices that we have nurtured since inception.

Shaping a Future-ready Entity

At Solar our real success lies in making our customers' journey as seamless and as frictionless as possible. Therefore, we are constantly committed to keeping our focus on the evolving needs of our customers. We are honing our skills to create the best in class facilities and equip ourselves with cutting-edge technologies to enhance our customer experience.

We are inducting fresh and young talent across operations to infuse fresh ideas and energy, driving the Company forward. Our strategic investments to further expand capacities across the defence business, along with expansions in mining and space applications is expected to open new frontiers of success.

As we look ahead, we are optimistic about accelerating the growth momentum with a focused approach. Growing impetus for domestic procurement for the Indian defence sector and an emphasis on developing indigenous capacities allows us to align our growth story with that of the nation.

Before I conclude, I would like to extend my heartfelt gratitude to our people, customers, shareholders and other stakeholders. I am also thankful to the Board members for their valued guidance and sound judgment. With a number of growth opportunities in all four sectors infrastructure, mining, defence and overseas, we are confidently moving forward, aspiring to unravel newer trajectories of growth for Solar Industries.

Warm regards

Manish Nuwal
Managing Director and CEO

Operating environment

Keeping track of evolving market trends

Our business is shaped by key industry trends. We review and rethink our strategies in response to these broad trajectories.

Commodity Demand

Rapid urbanisation and industrialisation has increased the demand for metals and minerals. Despite the preference for renewable energy, the demand for coal has not slumped. It is still widely used for the generation of electricity as well as for industrial operations. As a result, coal mining is expected to continue to grow as a dominant fuel in our energy basket. With the rise of institutional investment in real estate and prominence of infrastructure projects through the development of smart city initiatives, this will further help in demand growth for explosives at a steady pace.

Atmanirbhar Bharat

The Indian government is proactively undertaking efforts to boost infrastructure development in the country. With initiatives like National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), urban planning and robust infrastructure development is on the rise. The PM Gati Shakti National Masterplan is also expected to reduce the timelines for various projects running across the country.

In an effort to promote self-reliance in the defence sector, the government has allocated 68% of its defence budget for indigenous entities. Growing private participation in the space industry is anticipated to increase demand for space equipment and accessories. Additionally, the government's emphasis on affordable housing is expected to boost real estate demand. Moreover, supportive policies for the mining sector continue to create new opportunities for industrial explosive manufacturers in the country.

Technological Disruption

The technological landscape is evolving at an unprecedented pace.

Emerging technologies such as IoT, robotics and AI have helped the mining industry to optimise its operations and increase efficiency through data-driven processes. The use of analytics has also played a crucial role in the identification of mineral deposits and continues to be pivotal in the discovery and exploration of rare earth minerals.

Decarbonisation

With rising awareness about climate change, countries are transitioning to a low-carbon economy, with organisations making significant commitments towards decarbonisation and achieving net-zero emissions. This has led to an increase in clean energy demand and the growing preference for electric vehicles around the world for a sustainable future.

There is a trend to reduce emissions and hence there is a trend to shift to electrical vehicles.

India is being positioned as a global power hub. There is a notable trend of shifting to electrical vehicles, which has created a greater demand for electricity. The most reliable source for electricity in India is coal, which augments well for our Company.

Our response

At Solar, we are focused on investing substantial resources for understanding changing market demands and therefore, work closely with our customers to meet their needs and expectations. We have also aligned our Research and Development initiatives to improve our value proposition and enhance customer trust.

We are cognisant of evolving industry trends and are poised to capture emerging opportunities in the domestic and international market. Our dynamic approach and strong foothold in the domestic industrial explosives arena offers us an edge over competition and empowers us to further capitalise on growth opportunities.

We are also keen on establishing ourselves as an environmentally sustainable organisation and take rapid strides to reduce environmental footprint. Alongside, we are adopting state-of-the-art technologies to fortify our operations and limit carbon emissions across the organisation.

Going forward, we expect our topline to increase, mostly on account of increased allocation of government expenditure on infrastructure projects, focus on improving the mining yield and greater thrust on privatisation and local sourcing for the defence sector.

Our success drivers

Fast-tracking our growth trajectory

Our core competencies provide stability to our businesses to deliver sustained long-term growth.

Manufacturing Capabilities

We strive to leverage our scale to elevate to the next level. Through our state-of-the-art integrated manufacturing facilities, we produce a wide range of explosives and ammunitions that address the diverse needs of our customers. We use global technologies and platforms to improve operational efficiency.

In addition, our effective backward integration ensured availability of key inputs which empowered us to reduce our operating costs, maintain industry-leading quality and ensure timely supply of products to our customers.

Diverse Product Portfolio

Over the years, we have only strengthened our integrated business model to create businesses that cater to a larger pool of customers in domestic and international markets. Today, the expanded product portfolio addresses customers of more than 10+ downstream industries.

Robust Financial Fitness

Our strong balance sheet, healthy liquidity position and sustained tangible net worth enable us to accelerate growth plans and strategies. We constantly strive to ensure efficient utilisation of financial resources and maintain a balanced portfolio.

Ongoing site, Mumbai Metro Line 3 - Hutatma Square

Strong Brand Recall

We have a strong foothold among domestic and overseas customers. Catering to evolving customer aspirations is a challenge that we love to embrace. We offer tailored, industry-specific solutions to customers within construction, road and infrastructure, mining, quarries, seismic exploration, tunnelling, defence and hydro projects. We are also one of the very few players with the capability to develop and supply customised products on demand.

Effective Risk Management

At Solar, risk management is part of our ongoing strategy and remains a critical component of good corporate governance. We proactively manage risks to achieve our strategic goals and deliver value to our stakeholders. Our ability to better predict and respond to changes in industry not only enables us to minimise any adverse impact on the business but also helps us to take advantage of opportunities.

Business model

Building a sound springboard for value creation

Ours is a value-driven business model, underpinned by our mission to provide innovative solutions and technology. We bank on our expertise and technological prowess to create sustainable value for our stakeholders with a keen eye on excellence.

Input

Financial Capital	**₹ 18.10 Crore** Equity Share Capital	**₹ 784 Crore** Net Debt	**₹ 1679 Crore** Retained Earnings
Manufactured Capital	**₹ 293 Crore** CAPEX	**34** Manufacturing facilities	**₹ 2042 Crore** Gross Block
Intellectual Capital	**₹ 70.12 Crore** R & D spent in last five years	**108** Professionals forming part of the R & D and Quality Control Team	
Human Capital	**7676** Total employees	**₹ 289.63 Crore** Employee Benefit Expenses	
Social & Relationship Capital	**29253** Number of shareholders	**7396** Suppliers	**₹ 7.37 Crore** Spent towards CSR activities
Natural Capital	**316241.77 KL** Water consumption	**212670 MWH** Energy consumed	

Process

Primary Inputs

Products

Downstream industries

Capital
Raw Material
Water
Packaging material
Manpower
Electricity
Technology
Consumable

Bulk Explosives
Packaged Explosives
Initiating Systems
High Energy Material
Propellants, & Warheads
Pyros & Fuzes
Integration of Rockets
Ammunition

Mining
Road & Infrastructure
Well sinking
Housing
Hydro Projects
Seismic Exploration
Defence
Space
Irrigation
Shale gas

Output

₹ 3948 Crore	₹ 441 Crore	₹ 767 Crore
Revenue from operations	PAT	EBITDA

406372 metric tons	4.59	4,14,304
Explosives supplied	Inventory turnover ratio	MMHG supplied to the armed forces

Widening our portfolio with

Polar Satellite Launch Vehicle (PSLV)	Unmanned Aerial Vehicle (UAV)

Zero	11,284,198
Lost Time Injury	Hours of Injury-free work

₹ 151.95 Crore	₹ 48.77
Contributed to exchequer	EPS

33%	29%	27%
Reduction in water Intensity	Reduction in energy Intensity	Reduction in Total Emission Intensity

Outcome

- Constant growth in revenue and profitability
- Maintaining strong credit rating
- Sustainable dividend and earnings per share
- Agility in response to growth opportunities

- Strengthening our portfolio through the addition of value-added products
- Improving the overall productivity and efficiency
- Expanding capacities to address rising demand

- Undertaking digital transformation
- Building strong brand value and recall

- Engaged workforce and inclusive culture
- Investment in capability uplift and talent building
- Improving diversity ratio

- Responsive to changing community and stakeholder expectations
- Mutually beneficial and long-standing relationship with customers and suppliers
- Contributing towards local economic growth
- Uplifting the communities in which we operate

- Protection and stewardship of the environment
- Management of physical and transitional climate change risks
- Ensuring resource efficiency and waste minimisation

SDGs Impacted

8, 12

8, 9, 12, 17

3, 9, 13, 17

1, 3, 5, 8, 10

1, 3, 4, 5, 8, 10, 13, 15, 17

6, 7, 9, 12, 13, 15, 17

Stakeholder engagement

Delivering on stakeholder aspirations

Stakeholders help us shape our ambition. At the end of the day, they define our growth trajectory. Their concerns and perspectives matter to us to build long-term value.

Stakeholders	Why they matter	Key concerns and expectations	Modes of engagement	Frequency of engagement
Customers	Our customers entrust us with their requirements and contribute to our business growth.	• Product safety, quality and reliability • Confidentiality in case of sensitive contracts • Operational efficiency • Innovation	• One-to-One Interactions • Site-Visits • Customer Meeting • E-mails • Feedback mechanism - Online Survey • Digital Channels • Trial and Improvement Programs	• Continuous • Periodic • Periodic • Need based • Annually • Continuous • Periodic
Shareholders & Investors	The financial resources we seek are funds mobilised from financial institutions and investors in form equity, debt and accruals.	• Company's financial performance • Consistent Dividend Payouts • Timely dissemination and communication of material information • Effective Risk Management	• Annual general meetings • Conference call • Press Release • Annual reports • News channels • Website Updates • Stock Exchange Releases • Investor Grievance Redressal Mechanism	• Annually • Quarterly • Quarterly • Annually • Event Based • Continuous • Periodic/ Event based • Permanent
Business Partners	As an important channel to source input materials and services, our business partners contribute to value-chain significantly.	• Contract Management • Timely Payment • Fairness in Business Dealings	• E-mail Communication • Site Visits • One-to-One Interactions • Business Partner Survey • Structured Meetings	• Need based • Periodic • Continuous • Annually • Periodic

Stakeholders	Why they matter	Key concerns and expectations	Modes and frequency of engagement	
Employees	Employees are the backbone of all our operations processes. We always harness there skills and expertise that are essentials for business growth	• Wellbeing & Safety • Compensation as per industry standards • Growth opportunities. • Talent and Skill Management • Diversity & Inclusion • Career development • Job security	• Employee Engagement Survey • Grievance Mechanism • Awards and Recognition • Face to Face Meetings • Cultural Events • Trainings and Workshops	• Annually • Permanent • Annually • Continuous • Event Based • Periodic
Government and Regulatory Bodies	Engaging with Government and regulatory bodies is an important aspect of business. They ensure that all laws, policies and compliance are followed while doing the business.	• Compliance with Industry Norms, Laws and Regulations in substance and spirit • Participation in various industry forums and meets • Collaboration on National Agenda	• Reports • One-to-One Interaction • Events • E-mail Communication • Letters	Engagement as per the need
Communities	We are working at the grassroots to perform our duty towards the society and communities.	• Community development • Livelihood opportunities. • Health and sanitation initiatives	• CSR initiatives • Field visits • Face to Face interactions • Collaboration through NGOs	Engagements whenever required.

Risks and opportunities

Navigating headwinds and tailwinds

As a global enterprise operating in various geographies, our businesses are exposed to a wide spectrum of risks. It is essential to have the necessary systems and processes in place to manage risks, while meticulously balancing the risk-reward proposition of all stakeholders.

Impact of the risk

Low   Medium   High

Risks	Mitigation strategy	Key opportunities
Economic & geo-political environment		**Risk category** → Strategic (High)
Economic and geo-political uncertainty in the markets can adversely impact our operations and profitability.	• We have built a diverse portfolio of products across industrial explosive and defence business to address the needs of various downstream industries. • Our diverse footprint across multiple geographies enables us to de-risks ourselves from slowdown in a particular region or geography. • Continuous review of country specific risks helps management of potential exposures.	• Presence in geographies that will augment sustained infrastructure growth. • Expanding market presence into new countries. • Building an agile and resilient business model.

Impact of the risk

Low Medium High

Risks	Mitigation strategy	Key opportunities
Climate change		Risk category → Strategic (Medium)
Our inability to reduce carbon emission, adhere to regulatory limits and undertake limiting measures may have an impact on our operations and reputation.	• Undertaking energy conservation initiatives to reduce our total energy consumption. • Accelerating decarbonisation and catalysing action across the value chain. • Constantly reviewing our emission and setting stringent targets.	• We are looking to inculcate renewable energy sources to meet our energy demands also we've put in place an integrated production system that encourages resource recycling and waste reduction. We are also brainstorming innovative methods to reduce our emissions and costs.
Volatile raw material prices		Risk category → Financial (High)
Volatility in prices of ammonium nitrate, industrial chemicals and fuel does have an impact on our operational profitability. Largely governed by the international commodity prices, the fluctuation in raw material prices is a material risk for the company.	• We have strong and long-standing relationships with key suppliers, which allow us to ensure a steady supply of key raw materials at economical prices. • We also have a price escalation clause for our clients, which enable us to pass the impact of any price volatility on major raw materials in our margins.	• We keep exploring options to build our own manufacturing facility or making alliance with critical raw material suppliers.
Liquidity		Risk category → Financial (Medium)
Insufficient funds to meet our business needs, fund growth plans and address short-term liabilities might have an adverse impact on our reputation and operations.	• Our working capital remains at an effective ratio of 1.49. • Our interest coverage stood an impressive 13.09 for March 31, 2022 with net debt equity ratio of 0.41.	• We shall continue to partner with leading financial institutions for borrowings funds at competitive lending rates.

Risks and opportunities

Impact of the risk

Low   Medium   High

Risks	Mitigation strategy	Key opportunities
Customers / Clients — Risk category → Strategic (Medium)		
Reducing share from existing customers or loss of customers to competition may result in loss of revenue.	• Our industry experience, product quality and wide product basket has built our brand as most preferred player in the industry. This has helped us in to increase the market share.	• Research and develop unique products to further increase our revenue pie • Offer more and customised products to our existing clients • Diversify our operations into newer geographies along with strengthening our presence in the existing ones
Health, Safety, and Environment — Risk category → Operations (Medium)		
Our operations have inherently high risk on health & safety of our workers, environment and society. Further, our manufacturing and assembly sites are exposed to operational risks associated with the manufacture, transportation and storage of fertilisers, ammonium nitrate, initiating systems, industrial chemicals and industrial explosives products.	• A robust and comprehensive safety, health, and environment (SHE) framework in place through which we safely manage our operations. • We constantly identify SHE related risk and undertake measures to reduce the same. Systems and procedures, including Standard Operating Procedures and Work Instructions are also established to minimise the risk. • We ensure safe handling and storage of hazardous chemicals.	• Setting a benchmark for safety and health standards within the global industry

Impact of the risk

Low Medium High

Risks	Mitigation strategy	Key opportunities
Ethical business practises and good governance — Risk category → Ethics and compliance (Medium)		
Operational and market presence in multiple geographies causes serious risk to comply with international laws and regulations. Non-compliance may result in litigation issues and cause harm to brand and disrupt operations	• We have built a strong corporate governance framework which is directly overseen by the Board of Directors. • Our secretarial and legal team ensure proper, timely and transparent compliances with various rules and regulations of different geographies • Training is provided to all the employees on our code of conduct and various key policies such as anti-bribery, and corruption	We are strengthening the moral attitude of the organisation, management and employees to ensure that our activities and operations abide by our business ethics guidelines. We are always working towards and implementing substantial measures that are tailored to integrate ethical ideals and behavioural standards across all organisational levels in order to instil high levels of discipline and conduct.
Technology and Cyber threat — Risk category → Information and technology (Medium)		
With rapidly advancing technological landscape, there lies a risk of technological obsolescence across our operations. Further, our operations are also exposed to threat from loss of confidential data and information.	• We continuously review and upgarde our IT security controls as part of our cyber security strategy. • We also constant monitor the changing technological landscape and invest in processes and systems that allows us to further improve of operational efficiency.	• Advancement of technology is enabling us to improve our productivity and efficiency

Risks and opportunities

Impact of the risk

Low Medium High

Risks	Mitigation strategy	Key opportunities
Increasing society and investor expectations		**Risk category → Strategic** (Medium)
Our inability to meet the expectations of the society and investors might have adverse impact on our operations.	• We constantly engage with the society and investor group to understand their changing needs and expectations. • We ensure timely and transparent disclosure of key matters to our investors through various modes including call-transcripts, AGM and annual report. • We proactively communicate our strategy with our stakeholders to inform them about the steps we are taking to reduce our environmental impact, strengthen our governance and uplift the communities in which we operate.	• Strengthen our stakeholder engagement framework and create competitive differentiation.
Supply Chain		**Risk category → Operational** (Medium)
Logistic challenges may disrupt inward and outward flow of raw materials and products, hampering business operations	• We undertake detailed planning and forecasting to predict ongoing and future demand and build redundancy into our supply chains to reduce reliance on key suppliers where we can. • We source our supplies from multiple vendors, thus ensuring a continuous supply of our products. • We have agreement with logistic partners to ensure timely and safe supply of our products to our customers	• Improving the overall efficiency of the supply chain by deploying the right technologies and partnering with the right partner

Financial Capital

Building financial fitness for growth

Sustained revenue growth, industry-leading profitability and stable cashflows are the ultimate testament of our efficient business.

Net Sales (Y-o-Y)
57%

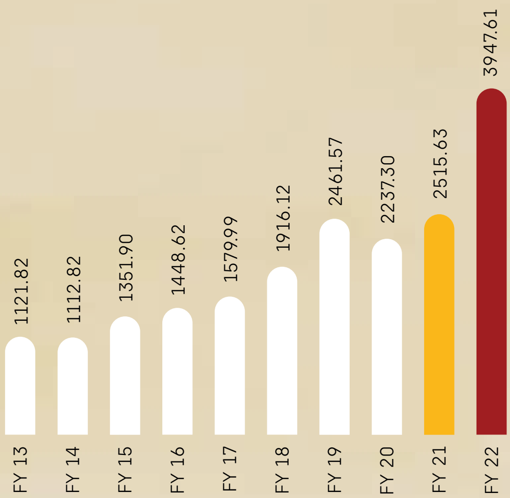
Market Cap (Y-o-Y)
119%

PAT (Y-o-Y)
60%

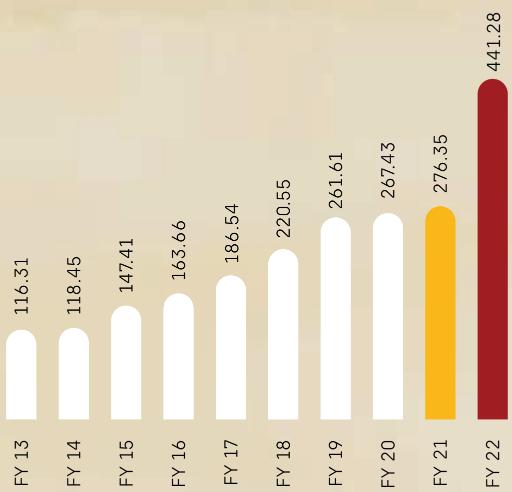
Net Worth (Y-o-Y)
₹ 1914 Crore

EBITDA (Y-o-Y)
43%

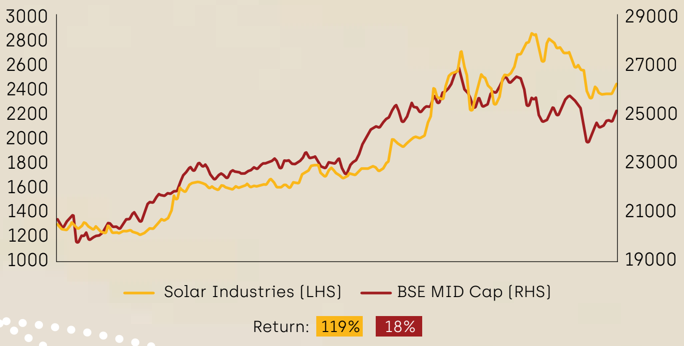
Net Sales (₹ in Crore)



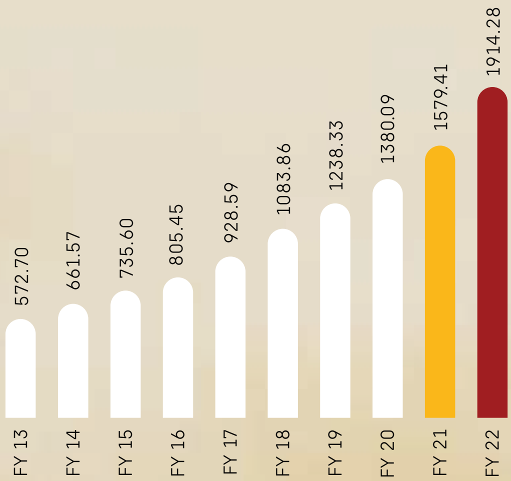
PAT (₹ in Crore)



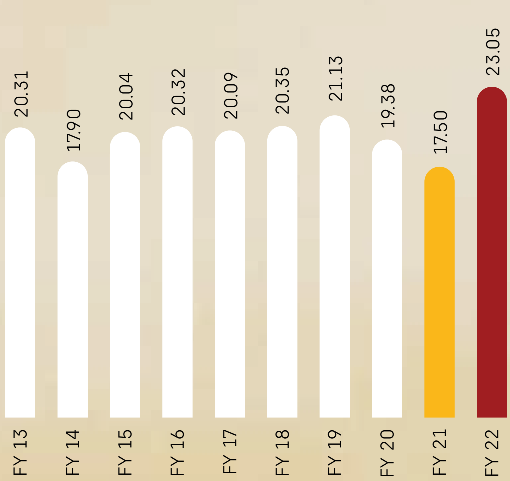
Solar v/s BSE Mid Cap (FY 2021-22)



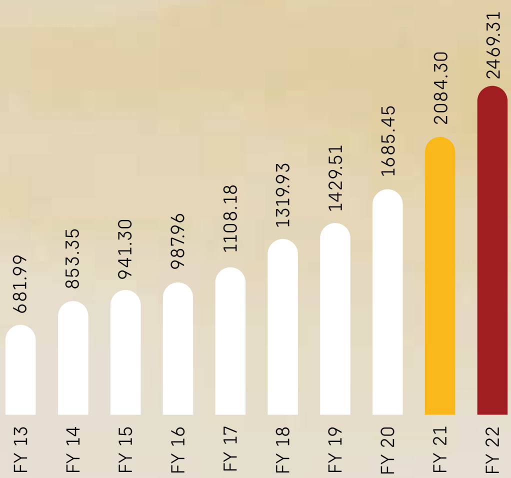
Net Worth
(₹ in Crore)



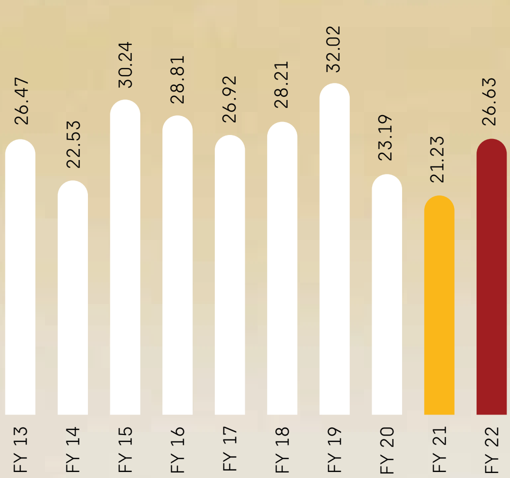
Return on Networth
(in %)



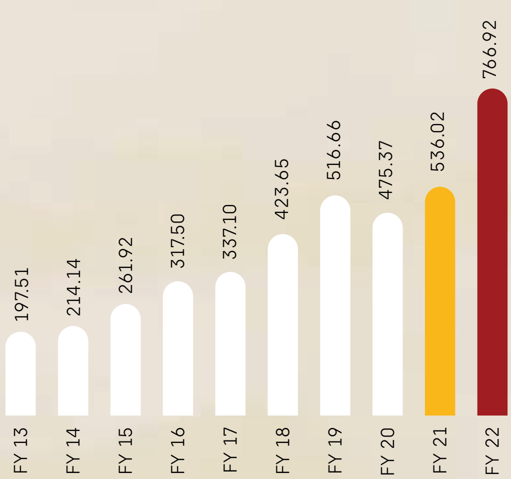
Capital Employed
(₹ in Crore)



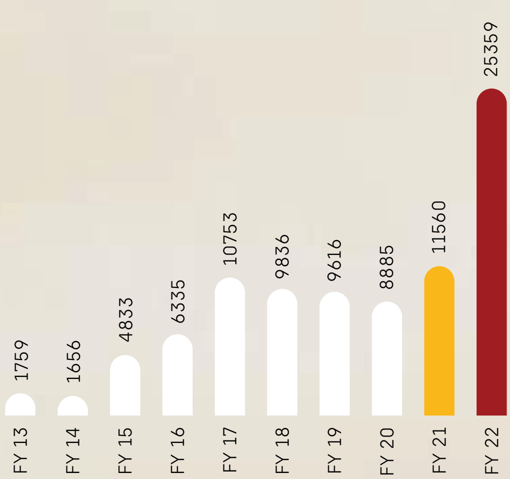
Return on Capital Employed
(in %)



EBITDA
(₹ in Crore)



Market Cap
(₹ in Crore)



The right business model aligned with the nation's development

The nation's growing need for minerals and infrastructure is catered through our industrial explosives business. Strengthening our resolve towards nation building, our defence business supports the self reliant ambition of the Government of India. As an entity, we embrace the growing needs of sectoral space we operate in, expanding our capacities and excelling in our capabilities year-on-year.

34 Manufacturing facilities worldwide

65 countries Global Presence

Countries with Manufacturing Base (Existing)

India | Zambia | Nigeria | Turkey |
South Africa | Ghana | Tanzania

Upcoming

Australia | Indonesia | Thailand

States with Manufacturing Base (Existing)

Rajasthan | Madhya Pradesh | Telangana |
Maharashtra | West Bengal | Chhattisgarh |
Odisha | Jharkhand | Tamil Nadu

Global Presence

Manufactured Capital

Building our skills

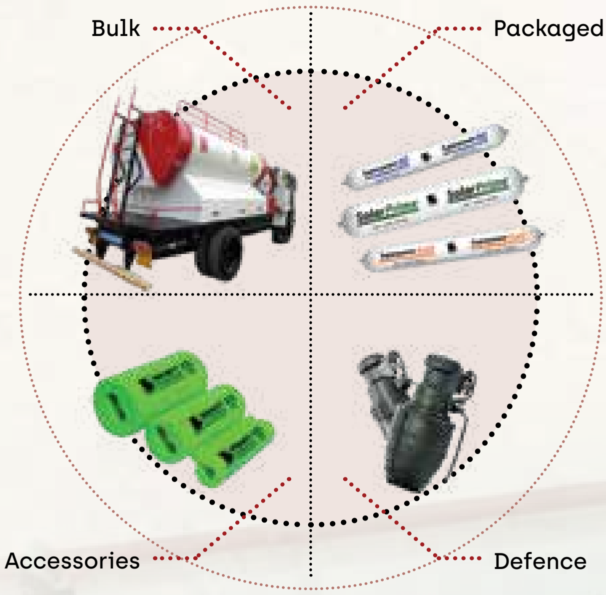
Our identity as a globally recognised company is largely pivotal to our expertise and state-of-the-art manufacturing facilities. By focusing on stringent quality and safety standards, we remain committed to meet the demanding needs of the industry.

At the forefront of nation building

Backed by our decades of experience in industrial explosives, we strategically expanded our presence in the defence sector in 2010. Laying a strong foundation in terms of research, manpower, testing and capacity building, we now stand at an impressive order book for our defence business. Led by the vision of our Chairman and leadership team, we were the first private player to foray into the defence sector, even before the Government of India opened up the sector for privatisation. Today, we stand at an inflection point for our defence business, having made investments in building state-of-the-art machinery, dedicated research team with modern infrastructure and disciplined execution capabilities.

A specialised portfolio

As preferred partners for the mining, infrastructure and defence sectors, we continue to fulfil their diverse demands with a robust portfolio of specialised products.



Brahmos Booster filling Operations at EEL, Defence.

Emphasis on precision manufacturing

At Solar, we are attuned to the needs of the future. It not only enables us to adopt technologically advanced processes but, also allows us to leverage resources to transform existing manufacturing practices.

Our decade-long presence in the defence business has positioned us to evolve and deliver on products and timelines that are critical in the sector. We have now introduced precision manufacturing through the adoption of latest state-of-the-art machinery and equipment that are highly automated, that ensure accurate finished products. This has resulted in reduced defects at the manufacturing stage and minimised testing period.

A global manufacturing base

Our first overseas manufacturing unit was set up in 2010 setting up a world-class facility with enhanced portfolio of products. Since then, we have set up manufacturing facilities in countries like Zambia, Nigeria, Turkey, South Africa, Ghana and Tanzania. We are expanding our global footprints in Australia, Indonesia and Thailand. These manufacturing units not only cater to respective domestic markets, but also export to nearby countries.

The result: Unlocking cross-functional synergies between the manufacturing units and realising high earnings with operational efficiencies.

Making India self-reliant

Solar has earned the honour of developing first- of-its-kind indigenous drones and loitering munitions in India. A technologically superior product, the drones and loitering munitions are highly advanced modern-day defence products. Solar will be the first Indian Company to fully indigenise and develop Loitering Munitions (LM) in house. This Indian innovation will prove to be an important step ahead in Solar's commitment of making India self reliant in ammunition.

Setting high quality standards

We believe in upholding the highest standards of quality across our manufacturing process. It not only allows us to design and develop products that abide by international parameters but, also empowers us to continuously usher improvements through the adoption of advanced procedures such as Lean, Kaizen, 5S and Total Productive Maintenance (TPM). Our quality management system is ISO 9001_2015 certified and we take great care to conduct quality checks at every step of the production process.

Securing a seamless supply chain

Our vision is to create digitally integrated supply chain in turn helping drive efficiencies across our value chain. Operating across several manufacturing units in 7 countries, our supply chain supports global footprints and is a backbone of our business. Despite disruptions caused in the recent past due to Covid-19 pandemic, our supply chain has proven to be resilient, ensuring deliveries to our customers. Introduction of technologies in the process like GPS tracking, VR Technology for skill enhancement, Machine learning (ML) based defect recognition system, robotics for process automations and applications for increasing efficiency and accuracy of transaction process.

Human Capital

Building a skilled, committed and a diverse workforce

At Solar Industries, we are building a skilled, committed and diverse workforce and develop high-performing individuals. Our collaborative and harmonious work culture motivates employees to not only enrich competitiveness, but also develop personal capabilities.

Health and Safety

Health and safety of workers are critical to our business model and thus we seek to achieve a safe workplace through the conduction of safety drills and training programmes. We ensure a safe work environment for our employees through safety measures and extensive training and awareness programmes. Global standards like ISO 14001:2015 and OHSAS 18001:2007 are followed to ensure occupational safety and we are certified for the same. Our health and safety policy takes into consideration all the risks and hazards of working on our products. We conduct Hazard Identification and Risk Analysis (HIRA) and Job Safety Analysis to ensure safety at the workplace, while also providing safety induction manual to visitors before entering the premises.

Mental well-being is as important as physical safety. To ensure mental wellness we follow the 5S workplace management (Sort, Set in Order, Shine, Standardise and Sustain) to provide a rewarding and pleasant workplace to our employees.

64,333
Person-hours of safety training

11,284,198
Hours of injury-free work

To read more about our innovation and R&D efforts refer page no **37** of this report

Diversity & Inclusion

We continue with our efforts to improve diversity and inclusion (D&I) across all levels of the achieve their full potential.

With 34 locations of presence, our diverse workforce represents our commitment to D&I. We now have an increased participation of women, differently-abled people and employees with international experience.

Solar Industries India Limited and its subsidiaries had participated in International Convention on Quality Control Circles (ICQCC) 2021 organised by Quality Circle Forum of India. Total 5 teams participated and bagged 3 Par Excellence and 2 Excellence award.

This is the first time solar group had participated in international Quality forum. This event witnessed many delegates from national and international industries.

Building talent pool

In FY 2021-22, we executed several development initiatives for leadership development and training on technical, safety and health aspects. Several training programs were also conducted on non-technical skills regularly, enabling our workforce to learn quickly and adapt to changing workplace dynamics. These programs were conducted both physically and virtually. We have also onboarded freshers from various campuses for specific roles within the company, where there are rigorously trained and placed internally as per requirement.

Being an employee centric organisation, we pay special attention to nurture talent and guide them to be successful in their careers. In the reporting period, we conducted several development initiatives covering a wide array of topics. We undertook a leadership development initiative to prepare next generation leaders from our talent pool. Several technical training sessions were conducted to help employees develop various skills.

Employee welfare

To ensure employee welfare, we have formulated sound human resource (HR) policies which aid employees in addressing and resolving their complaints and grievances. A cross-functional team has been created for effective implementation and communication of HR policies.

Leadership communication at the plant level is conducted every month or every quarter to provide a channel for employees to interact with the top management. We also provide our employees with benefits like insurance, retirement provisions, healthcare and disability coverage, and strive to create a work-life balance for our employees

2,606

Training and development sessions covered

90,548

Person-hours of training completed

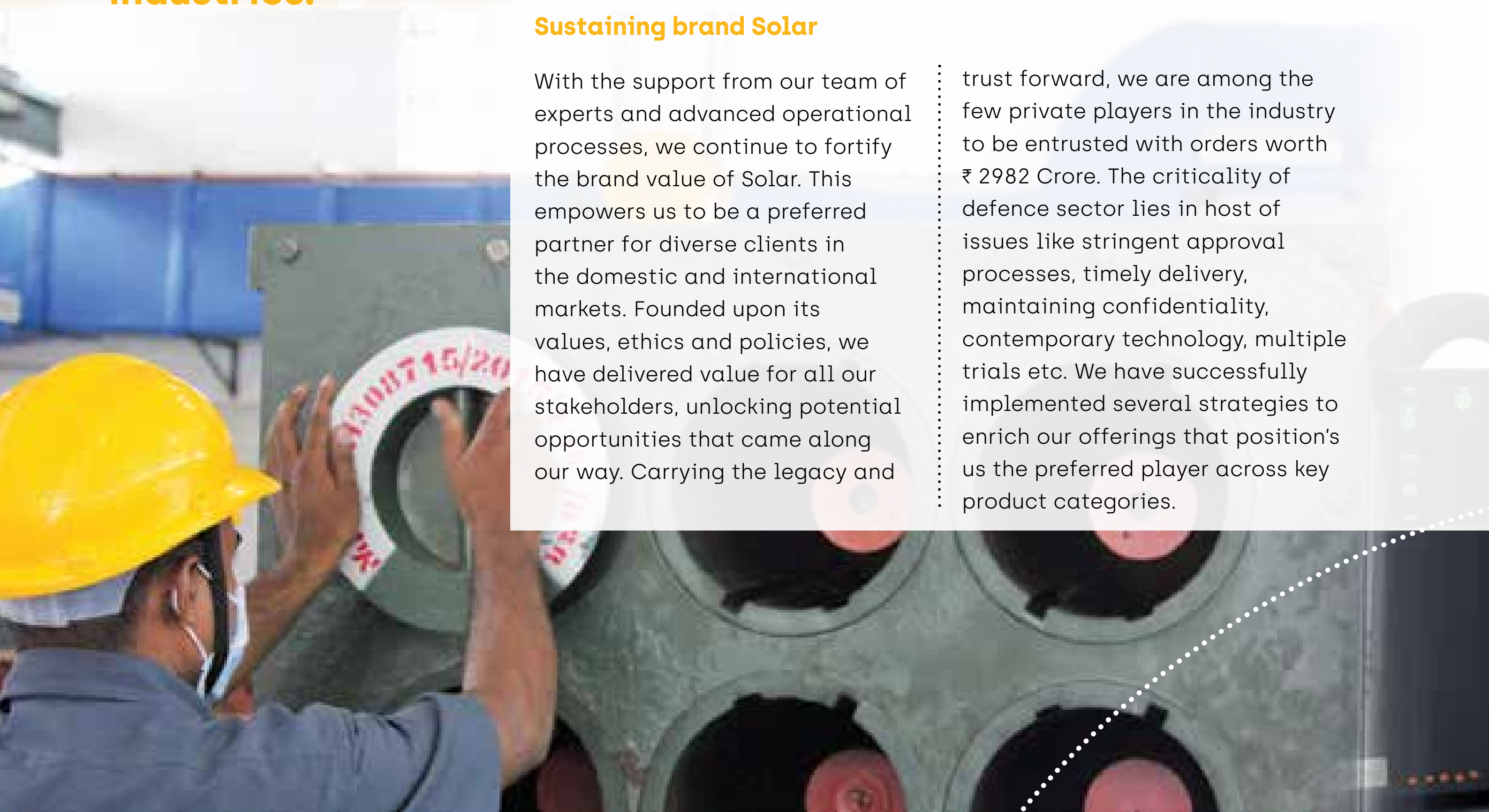
Rocket Assembly Facility at EEL - Defence, Sawanga

Intellectual Capital

Sharpening manufacturing expertise

Our ability to thrive and succeed in a competitive environment is largely driven by our robust R&D expertise and technological capabilities. Our rich-industry experience, over the years, has empowered us to consistently deliver products that perform at critical downstream industries.

Defence minister Shri Rajnath Singh hands over indigenous hand grenades to Indian Army



Sustaining brand Solar

With the support from our team of experts and advanced operational processes, we continue to fortify the brand value of Solar. This empowers us to be a preferred partner for diverse clients in the domestic and international markets. Founded upon its values, ethics and policies, we have delivered value for all our stakeholders, unlocking potential opportunities that came along our way. Carrying the legacy and trust forward, we are among the few private players in the industry to be entrusted with orders worth ₹ 2982 Crore. The criticality of defence sector lies in host of issues like stringent approval processes, timely delivery, maintaining confidentiality, contemporary technology, multiple trials etc. We have successfully implemented several strategies to enrich our offerings that position's us the preferred player across key product categories.

Focused on innovation

Solar promotes an innovative culture where ideas that drive future-growth are welcomed. A dedicated team continuously monitors the evolving industry and customer needs, gathering information and bringing new ideas on the table. Our innovative approach drives productivity, enhances operational performance and enables us to create a differentiated value proposition.

Among the several initiatives, during the year we installed digital tools for vendor management, supply chain management and distribution tools, that enabled better forecasting and increased operational efficiencies.

Along with developing new products, our R&D team is striving to improve quality, safety and performance of the existing product range. The 'Centre of Excellence' at Solar consists of a sophisticated laboratory for High Energy materials accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), to support our endeavours of creating an efficient and technologically superior R&D facility.

Over the past year, our product development team has introduced new product range suitable to market demand as well as economic and eco-friendly uses. Our subsidiary, Economic Explosives Limited along with Terminal Ballistic Research Laboratory (TBRL) have designed and tested the advanced Multi-Mode Hand Grenades (MMHG). We are aiming to introduce sustainable products like the super green primary explosives and develop insensitive munitions (NTO), which will be capable of enhancing the safety standards of our munition technology.

₹ 70.12 Crore

R&D expenditure in the last 5 years.

108

R&D team strength

252

New ideas in last three years

Centre of Excellence for Life Assessment, Solar Industries, Chakdoh

Accelerating progress for

01
Delhi-Mumbai Expressway

02
Mumbai-Ahmedabad High Speed Rail Project

03
Hutatma Chowk Mumbai Metro Project, Maharashtra

04
Mumbai-Nagpur Samruddhi-Mahamarg, Maharashtra

05
Char Dham Pariyogna,Uttarakhand

06
Zojila Tunnel, Jammu & Kashmir

New India

Social & Relationship Capital

Fostering a culture of caring

Our citizenship activities are based on our cherished vision of raising the human development index. With a sharper focus on holistic development, we proactively contribute to the economic and social development of the communities in the areas where we operate.

Our CSR vision

To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

To read more about Social performance refer page no **48** of this report

Community development

We are actively contributing towards areas of community development with efforts directed towards multiple areas. Economic and social empowerment emanates from education, and we are committed to educating the children from weaker sections of society.

We have helped construct schools in Nagpur and in nearby districts. We are working towards the education of underprivileged and tribal students.

Our relentless efforts in building and renovating hospitals and rehabilitation centres shows our commitment to health and hygiene needs of the communities in which we operate. As the second wave of Covid-19 hit the country and hospitals faced acute shortage of medical equipment, we donated ventilators to various hospitals near Nagpur. We also contributed to the Construction of the Ophthalmic Care Hospital and the Upgradation of Infrastructure and medical equipment at a Cancer hospital in Nagpur.

We are also making progress towards skill development of the youth of the underdeveloped in our endeavour to achieve the country's goal of being 'self-reliant'. We have helped build infrastructure while also curating dedicated skill development programmes to help them with future employment.

Customer satisfaction

Our commitment towards customer satisfaction remains undeterred, largely driven by our business that caters to customers across several industries. We strive to meet customer aspirations with products that meet their specific targets and results. Catering to B2B model of business, our customer portfolio comprises of global multinationals, leading companies and government (defence) bodies in key geographies. Our sales team works closely with customers, developing deep customer insights to drive the customer experience.

Supply chain management

The supply chain partners are essential to Solar, and we engage with all our suppliers through constant dialogue. We have significantly digitised our operations around supply chain, where evaluation, on-boarding and validation of suppliers is done in quick time. Operating with our integrated business model, we are involved with suppliers at various stages of our value chain. Their knowledge, products and services enables us to bring value to our clients. A deeper engagement with suppliers is aimed to increase social and environmental awareness and continuously improve the sustainability performance of suppliers.

₹ 29.71 Crore
CSR spent in last 5 years

185+
No. of customers with more than 10 years association

7396
No. of Suppliers

Natural Capital

Safeguarding our natural ecosystem

As one of the largest manufacturers of industrial explosives and explosive initiating devices, we recognise the environment-related risks associated with our business activities. Our environmental approach focuses on improving our existing processes and systems and adopting more efficient processes to reduce our carbon footprint and safeguard our natural resources.

Compliance

To manage our ecological footprint, we adhere to our regulatory environmental compliance and work in accordance with the guidelines of the Ministry of Environment, Forest and Climate Change (MOEF&CC), Pollution Control Board and Central Ground Water Authority (CGWA).

Our commitments are benchmarked with Environment Management System (ISO 14001:2015) and Occupational Health and Safety Management Standard (ISO OHSAS 45001:2018) certifications.

We regularly conduct internal and external audits to ensure compliance with our environmental and health commitments.

To read more about environment and climate change efforts refer page no **46** of this report

Air quality

As a Company, we recognise the impact of our greenhouse gas (GHG) emissions, and we continuously monitor and take necessary actions to reduce them. An Online Continuous Emission Monitoring System (OCEMS) has been installed to monitor the suspended particulate matter (SOx and Nox) emissions. We also use scrubbers across our operating units to mitigate SOx and Nox emissions.

Conventional chilling compressor, with hydrofluorocarbon (HFC) refrigerants, have been replaced to reduce the use of ozone-depleting substances. We strictly adhere to emission standards. The trapped boiler ash is disposed of to the brick manufacturers. This helps create value from the waste generated. We have also installed a digital screen at our factory to display the advanced air quality data.

Our ESG goals

Growing responsibly

ESG Purpose

Innovating a Sustainable Future

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

Our ESG Strategic Approach:

ESG is an emerging global megatrend, and it is imperative for organizations to integrate ESG as a strategic lever to generate new growth opportunities and create value. Our materiality analysis exercise has enabled us to identify the key focus areas crucial for our business and stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Innovating a Sustainable Future

Innovating Sustainable Operations

- Climate Resilience
- Water Stewardship
- Waste Management
- Biodiversity

Reinforcing Safety & Well being

- Product Safety and Ethics
- Employee Health and Safety

Sustaining Long Term Relationship

- Value Chain Sustainability
- Community Development
- Stakeholder Relationship Management

Enhancing Employee Growth

- Human Capital Development
- Human Rights
- Diversity and Inclusion

Our ESG Strategic Pillars:

Strategic Pillar 1: Innovating Sustainable Operations

We understand that the climate change is a major threat, and we are committed to minimize our impact by lowering emissions, conserving energy, and partnering with various stakeholders. This is more than just a goal; it is our commitment to making the world a better place.

Focus Areas:

- Climate Resilience
- Water Stewardship
- Waste Management
- Biodiversity

Strategic Pillar 2: Reinforcing Safety & Well Being

Employee health and safety is the top priority for the group with a commitment to ensuring high safety standards for our people. Furthermore, we are committed to enhance safety and reliability of our products. We create a network of business partners and customers to ensure product safety throughout the product's life cycle.

Focus Areas:

- Product Safety and Ethics
- Employee Health and Safety

Strategic Pillar 3: Enhancing Employee Growth

We are mindful of importance of employees in organization's growth story. We are committed to enhancing our human capital through employee engagement, protecting human rights, and instilling diversity and inclusion.

Focus Areas:

- Human Capital Development
- Human Rights
- Diversity & Inclusion

Strategic Pillar 4: Sustaining Long Term Relationship

Stakeholder inclusiveness is one of the fundamental requisites for achieving objectives of business sustainability. We strive to collaborate with our value chain partners, local community, and other significant stakeholders to ensure inclusive and sustainable growth and development.

Focus Areas:

- Value Chain Sustainability
- Community Development
- Stakeholder Relationship

Materiality Assessment

Our sustainability strategy is informed by the materiality assessment. Through this assessment, we identified key environmental, social, and governance (ESG) issues that are affected by our operations most significantly and are most important to our business and our stakeholders. Our materiality assessment exercise included inputs from various stakeholders such as customers, suppliers, employees, community, shareholders and investors, and regulators.

Our Stakeholders

- Customers
- Suppliers
- Employees
- Community
- Shareholders & Investors
- Regulators & Governance Bodies

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

Theme	Material Issues	Capital	SDGs
Environmental	Climate Change, Energy and Emissions	Natural	6, 7, 12, 13, 15
	Environmental Risk and Compliance	Natural	
	Water Conservation and Management	Natural	
	Waste and Hazardous Materials Management	Natural	
	Biodiversity	Natural	
Social	Occupational Health and Safety	Human	3, 5, 10, 16, 17
	Employee Health and Wellbeing	Human	
	Product Safety and Security	Manufactured	
	Human Rights	Human	
	Diversity and Inclusion	Human	
	Customer Satisfaction	Social and relationship	
	Community Relations	Social and relationship	
	Skill Development	Human	
	Supply Chain Management and Materials Sourcing	Social and relationship	
Governance	Economic Performance	Financial	9, 16
	Business Resilience	Governance	
	Regulatory Compliance	Governance	
	Innovation	Intellectual	
	R&D	Intellectual	
	Ethical Business Conduct	Governance	
	Critical Incident Risk Management	Governance	

Key Environmental Highlights FY 2021-22

ZERO LIQUID DISCHARGE
in the Environment

Key Manufacturing Sites are
ISO 14001: 2015, ISO 45001: 2018
Certified

29%
Reduction in Total Energy Intensity

27%
Reduction in Total Emission Intensity

33%
Reduction in Total Water Intensity

Environmental Performance

Solar Industries is aware of its environmental duties and is highly committed to environmental preservation. Our efforts are aimed at reducing our ecological footprint, conserving natural resources, and improving the ecosystem in which we operate.

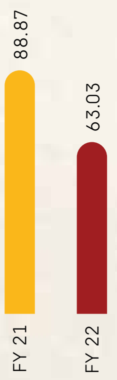
Our existing policies and code of conduct gives us confidence in addressing sustainability concerns in ways that benefit our customers, shareholders, and society.

Climate Change, Energy and Emissions

Solar Industries aspires to be a pioneer in combating adverse impacts of climate change while attaining long-term growth. We strive to enhance our understanding of the possible effects of climate change on our business, lower GHG emissions, and outline a viable decarbonization plan to strengthen our resilience and adaptive capacity. To reduce GHG emissions from our operating activities, we have undertaken several initiatives in FY 2021-22 to embrace more possibilities for emission reduction.

- Conversion of Chillers compressors of CFC (R22) based gases to A134.
- Installation of Online Continuous Emission Monitoring System (OCEMS) at Boiler stack as per CPCB guidelines
- Air and stack monitoring conducted by authorised agency on quarterly basis

Energy Intensity
[(MWh/₹ in Cr)]



Emission Intensity
[(tCO2e/₹ in Cr)]

Environmental Risk Compliance

We consider environmental compliance as our utmost priority and strive to mitigate regulatory and legal risks in prudent manner. We are committed to adhering to regulatory requirements and improving environmental performance

For our key manufacturing sites in India, we have implemented environmental and safety management systems that are certified in compliance with recognized international standards (ISO 14001:2015 and ISO 45001:2018).

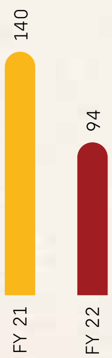
Water Conservation and Management

Water is invaluable and any disruption can imbalance our ecosystem. The disparity between water availability and usage is a critical problem. This issue is intensified by deforestation, land-use change, and over-abstraction of groundwater for industrial and another usage

At Solar, we have established world-class systems to ensure that water is utilized responsibly in our operations. In FY 2021-22, we implemented the following water conservation measures at our key manufacturing facilities.

- To achieve zero liquid discharge, we have installed Multi Effective Evaporator plant (MEEP)
- Installed Effluent Treatment Plant (ETP). The treated water from the ETP is used for gardening purposes
- One of our key facilities has a Sewage Treatment Plant (STP) of 150 CMD that uses MBBR technology to handle sewage effluents.

Water Intensity
(KL/₹ in Cr))



Waste and Hazardous Material Management

At Solar, waste management practises are meticulously designed to reduce the environmental impact. We have established waste management mechanism to handle and dispose our explosive and non-explosive wastes. In FY 2021-22, we adopted the following waste minimisation initiatives.

- Incorporation of MEEP for reuse and recycling of effluent
- Reduction of sludge generation in ETP operation by 99% using better technology
- E-wastes generated at site are sorted and sent to authorised recyclers

Parameter	Unit	20-21	21-22
Waste Recycled/ Reused	MT	542.11	2302.88
Waste Disposed (through authorized recyclers and vendors)	MT	374.40	432.09

Biodiversity

We strive to minimise the impact of our operations on biodiversity. We have received environmental clearance from the Ministry of Environment, Forest, and Climate Change (MoEFCC) for our key manufacturing site in 2019. According to the Wildlife Protection Act of 1972, there are no endangered flora and wildlife species in the areas where we operate.

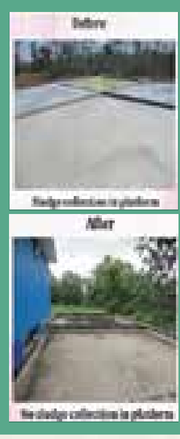
Reduction of sludge generation

Intervention

To overcome the issue of the large amount of sludge production from ETP, we have replaced the prevalent method by a better technology to reduce sludge development.

Benefits

- Complete elimination of sludge build-up
- The technology has eased handling and storage while also saving many man-hours.
- The use of filter bags is no longer required
- Less steam and Power consumption



Social Performance

Key Social Highlights FY 2021-22

₹ 7.37 Crore

Total CSR Spent

At Solar we have been using new technologies and innovations to improve employee performance and efficiency, as well as to create a positive work environment. At Solar, we prioritise our people in every decision we make to enable them to thrive and overcome any challenges.

Community Relations

Our CSR initiatives are in line with our goal of contributing to the socio-economic development of the areas where we operate. Our community development projects are well-structured and carried out in compliance with our robust CSR Policy.

During the pandemic Solar has made concerted efforts to serve the society by promoting community development and welfare in multiple areas such as supply of basic food amenities and distribution of Personal Protective Equipment (PPE) kits and development of COVID-19 care centre. Our relentless efforts in building and renovating hospitals and rehabilitation centres shows our commitment to health and hygiene.

We at Solar believe that good education is a basic human right. Economic and social empowerment emanates from education, and we are committed to educating the children from weaker sections of society. We have contributed for the construction and development of the infrastructure of the schools in the nearby districts. We are also working towards the education of underprivileged and tribal students.

Diversity & Inclusion

Diversity and inclusion is something that we strongly believe in, and our core values and strategy are based on the similar principles. We do not discriminate against our employees, based on gender, ethnicity, age, sexual orientation, colour, religion, or other characteristics.

Category	Total	Male	Female
Board of Directors*	8	7	1
Key Management Personnel*	7	5	2

Category	Total	Male	Female
Total Permanent Employees*	1,272	1,195	77
Total Permanent Workers*	1,891	1,858	33

*Details as on March 31, 2022

Hiring and Retention

Solar Group has strong recruitment and retention policy in place a recruitment strategy in place to attract a new generation of exceptional employees, with an emphasis on vocational and university students. Our remuneration policies and procedures are in accordance with all statutory and regulatory obligations and are strengthened by good risk management and controls, which ensure that remuneration activities are carried out responsibly.

Training and Development

We examine workforce capability needs for skill and competence development, customer focus, organisational performance, innovation, EHS, and business ethics. We analyse and develop our training infrastructure, methodology, and programmes in response to evolving business needs. In accordance with our strong learning culture, we continue to deploy best-in-class learning and development programmes that are adaptable and customizable to cultivate our workers at all levels for long-term relevance, competitive advantage, and growth

Human Rights

Our business strategy works in controlled regulatory environment. This means that we must adhere to legally obligatory rules, with a special emphasis on respect for human rights as a constitutionally protected subject. Regardless of the legislative framework, Solar places a high value on human rights. It goes without saying that we not only respect but also actively promote human rights, for example, through steps to provide equal opportunities or to enhance workplace health and safety.

Customer Satisfaction

We strive diligently to improve the customer satisfaction by providing safety, reliability, and high-quality products that add value to our customers. We interact with our customers through a variety of channels, including client visits, technical seminars, and safety workshops. We determine the customer's needs and conduct a performance analysis to ensure that we provide the best in class services to our business partners.

We collect and analyse consumer feedback on regular basis. Customer complaints are handled fast and effectively, with each complaint analysed and corrective or preventative action taken. Our dedicated technical team not only addresses customer problems, but also guarantees that customers are adequately instructed on how to use the products and adhere to the statutory regulations governing their transportation and storage.

Employee health and well being

Our primary focus is on health and safety management, and we are committed to achieving 'Zero Harm.' We are continuing to create a variety of approaches in order to reach this goal. To achieve our safety-related goals, for example, we work on developing safety leadership capability at all levels; working with contract employees by strengthening the deployment of contractor safety management standards; improving competency and capability for hazard identification and risk management; improving road and transportation safety throughout the Company; and establishing industrial hygiene and improving occupational health.

Our employees are at the heart of our operations. To foster performance excellence, we invest in employee well-being and satisfaction. Our work culture ensures our employees' safety, health, competency development, and general well-being. Life insurance, healthcare, disability coverage, retirement provisions, and Mediclaim coverage are among the benefits provided to our employees. However, exposure to these benefits varies depending on operational region and level of employment.

Occupational Health and Safety

The Safety, Health, and Environment committee is in charge of our safety governance system. We try to continuously enhance our H&S system through auditing and collaboration with both internal and external stakeholders. The goal is to foster a culture in which H&S is viewed as a benefit to sound business practise, increased productivity and reliability, and a more engaged workforce. We design and operate our facilities with the goal of avoiding accidents that could endanger our employees and contractors, as well as the surrounding community, or have a negative impact on the environment. We will continue to foster a culture in which everyone knows their responsibility in making Solar a safer place to work.

Safety Incident/Number	Category	FY 2020-21	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	21.09	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

Governance

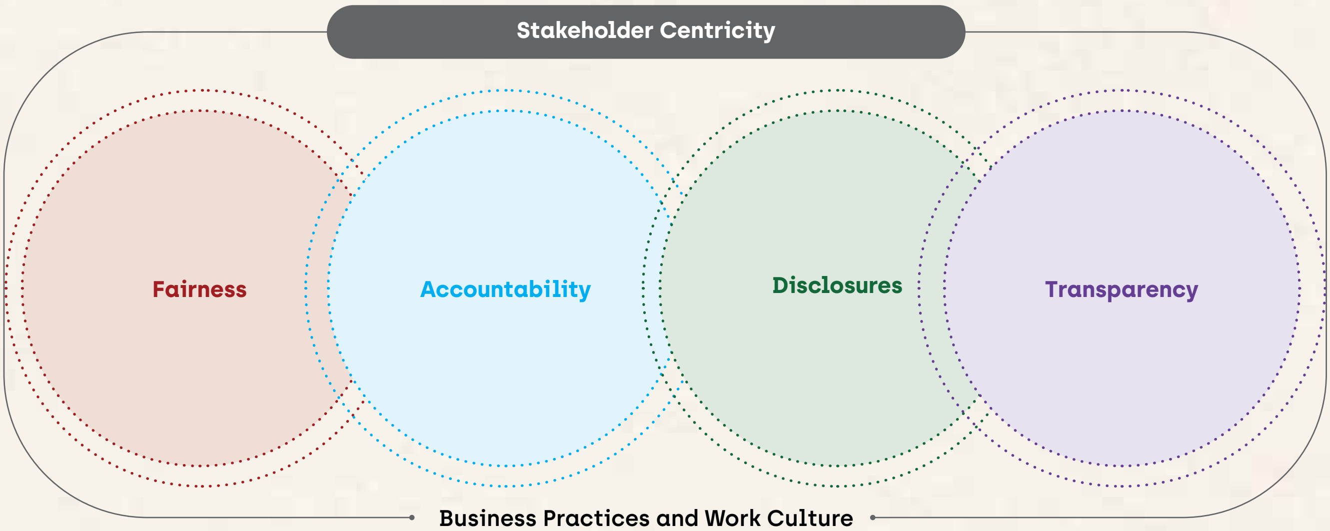
At Solar, we make a conscious effort to incorporate our stakeholder's interests in all our operations and business discussions. We Identify ourselves as a stakeholder's centric company.

Build over the pillars of Fairness, Accountability, Disclosures, and Transparency, and integrated into our business practices and work culture our corporate governance model shows our commitment toward enhancing the good governance practice at Solar.

At solar we have six dedicated committees (namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, and executive committee.) for overseeing all the operations and implementation.

As on March 31, 2022, the Company has total eight Directors of which four are Executive Directors and four are Non-Executive Independent Directors including a woman director. The composition of the Board is inconformity with Regulation 17(1) of SEBI (LODR) Regulation, 2015.

We have a consistent flow of feedback from all stakeholders, and it forms an integral part of our strategy for sustainable growth. As part of our long-term value-creation philosophy, we have built strong relationships with vendors, who have adopted to our requirements and modified their operations to ensure consistent quality of delivery at all times.



Our Sustainability Policies

We have developed a comprehensive sustainability policy framework to drive our ESG agendas, in line with our mission.

Our Sustainability Policies are crafted to address the needs of the entire gamut of our business needs, and include policies on:

- **Lifecycle Sustainability**
- **Anti- Bribery**
- **Product Responsibility**
- **Environment, Health and Safety**
- **Employee Wellbeing**
- **Customer Satisfaction Survey & Monitoring Policy**
- **Corporate Social Responsibility**
- **Stakeholder's Engagement**

Risk Management

At Solar group, we place our maximum focus on risk management, our dedicate Risk Management committee takes into consideration the nature, scale and complexity of the business while assisting the Board in ensuring that all material risks have been identified, assessed and adequate risks mitigations are in place.

Regulatory Compliance

While we strive to meet our organizational objectives and value creation for our stakeholders, we also make sure that our operations and activities adhere to all applicable laws, rules, policies, and regulations.

In the reporting year under review, there were no adverse comments with respect to our product and service from the organisations which directly control our organisation PESO, DGMS and Mines.

Ethical Business Conduct

At Solar, ethical governance is of paramount importance and one of our most valued assets. We are always working toward and implementing substantial measures that are tailored to show and integrate ethical ideals and behavioural standards across all organisational levels to instil high levels of discipline and conduct. Furthermore, we are bolstering the organization's, management's, and employee's morale to ensure that our actions and operations adhere to our business ethics principles.

Innovation

Our capacity to broaden our knowledge base and innovate our operations can go a long way. Intellectual capital is incredibly valuable in our industry. In a highly competitive environment, we differentiate ourselves by leveraging our systems, manufacturing capabilities, and insights to manage risk, supply the high-quality products, control costs, and develop our business. To increase the performance of our machinery and equipment, we are continually working to strengthen our knowledge-based capital. We will strengthen our push for operational efficiency and resource optimization by incorporating relevant technologies, integrating learnings into the organisation, and supporting an innovative culture.

Furthermore, technology and a culture of continuous improvement are essential enablers in achieving the strategic objectives of industry leadership and cost leadership. We will continue to improve our manufacturing processes, cost competitiveness, and environmental performance by developing competencies and collaborating with technology and research partners. Despite shifting client expectations, the development of renewables, and mounting regulatory challenges, we aspire to constantly innovate and adapt to change.

Supply Chain Management

We cultivate strong relationships with our suppliers and urge them to embrace and implement the concept of responsible supply chain.

Solar supports the purchase of goods and services from small and local businesses in the areas where our plants are located. External suppliers and contractors who work on plant operations and other projects typically hire workers from adjacent communities. We're also working to strengthen the vendors' occupational health and safety requirements in all our plants. Some of our vendors designed their procedures specifically to fit our needs and supplied products that met our specifications. Solar works closely with local vendors on its projects, ensuring a better experience in terms of acquiring supplies on time.

Board of Directors

Shri Satyanarayan Nandlal Nuwal
Chairman and Non-Executive Director
w.e.f. May 3, 2022

Shri Manish Satyanarayan Nuwal
Managing Director & CEO

Shri Milind Deshmukh
Executive Director

Shri Suresh Menon
Executive Director

Shri Dilip Patel

Non-Executive
Independent Director

Shri Amrendra Verma

Non-Executive
Independent Director

Shri Ajai Nigam

Non-Executive
Independent Director

Smt. Sujitha Karnad

Non Executive
Independent Director

Shri Sanjay Sinha

Additional Director
(Non-Executive Independent
Director)
w.e.f. May 3, 2022

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal
Chairman and Non-Executive Director
w.e.f. May 3, 2022

Shri Dilip Patel
Non-Executive Independent Director

Shri Sanjay Sinha
Additional Director
(Non-Executive
Independent Director)
w.e.f. May 3, 2022

Shri Manish Nuwal
Managing Director and CEO

Shri Ajai Nigam
Non-Executive Independent Director

Shri Milind Deshmukh
Executive Director

Shri Amrendra Verma
Non-Executive Independent Director

Shri Suresh Menon
Executive Director

Smt. Sujitha Karnad
Non-Executive Independent Director

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, MH 440023
Ph: +91-712-6634555
E-mail: solar@solargroup.com

Statutory Auditors

M/s S R B C & Co. LLP

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai – 400063 India.

Jointly with

M/s Akshay Rathi & Associates

119, Lendra Park,
Near Dr. Golhar Hospital,
Ramdaspeth,
Nagpur-440010, India

Registrar and Transfer Agents

M/s Link Intime India Pvt Ltd.
C-101, 247 Park
LBS Marg, Vikhroli (West)
Mumbai – 400083
Ph: 022-49186000
E-mail: rnt.helpdesk@linkintime.co.in

Bankers

State Bank of India
Axis Bank Limited
HDFC Bank Limited
ICICI Bank Limited
Yes Bank Limited
IndusInd Bank Limited
Standard Chartered Bank
Punjab National Bank

Grievance Redressel Division

investor.relations@solargroup.com

Audit Committee

Shri Dilip Patel
Chairman

Shri Amrendra Verma
Member

Smt. Sujitha Karnad
Member

Shri Manish Nuwal
Member

Stakeholders Relationship Committee

Shri Amrendra Verma
Chairman

Shri Manish Nuwal
Member

Shri Suresh Menon
Member

Nomination and Remuneration Committee

Shri Amrendra Verma
Chairman

Shri Dilip Patel
Member

Smt. Sujitha Karnad
Member

Risk Management Committee

Shri Manish Nuwal
Chairman

Shri Dilip Patel
Member

Shri Amrendra Prasad Verma
Member

Smt. Sujitha Karnad
Member

Shri Suresh Menon
Member

Shri Milind Deshmukh
Member

Shri Sanjay Singh
Member

Shri Moneesh Agrawal
Member

Smt. Shalinee Mandhana
Member

Shri Prashant Joshi
Member

Shri Kedar Ambikar
Member

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Shri Ajai Nigam
Member

Executive Committee

Shri Manish Nuwal
Chairman

Shri Milind Deshmukh
Member

Shri Suresh Menon
Member

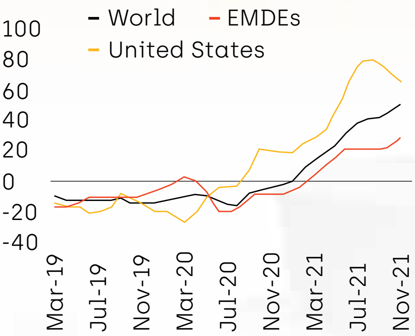
Management Discussion and Analysis

Global economy

Several countries witnessed economic recovery in 2021, after the setback of 2020. With the revival of international trade and commerce. In CY 2021, the global economy is poised to record moderate growth of 5.9%[1]. However, rising inflation, sluggish employment, climate change, and economic inequality continue to pose a threat to emerging and developing economies. Inflation has been a dominant threat in the United States as well as some developing economies. Inflationary pressures are being exacerbated by rising asset values and in some countries, unemployment is severely impacting a large section of the population.

Inflation in economies:

Index, >0 = Upside data surprise



Sources – Bloomberg; Citigroup; World Bank

The global economy enters 2022 in a weaker position. Rising energy prices and supply disruption have resulted in higher inflation than anticipated.

The global growth is expected to moderate and be 4.4% in 2022 lower than the earlier outlook. Assuming inflation expectation stays, and which will decrease as supply-demand imbalance narrow & monetary policies of major economy responds to Help support climate changes.

The sudden change in a surge in demand on the economy came out of the COVID-19 recession coupled with lingering Supply chain disruption & labour shortage, which created an upsurge in prices.

In 2022 the economy should see the transition from high inflation to normal inflation as the world address key issues related to:

1. Monetary tightening
2. Co-operation between countries to ensure equitably vaccination to reduce the impact of covid -19.
3. Global co-operation addressing climate distress and address the fears of climate change and reducing carbon emission.
4. Find a diplomatic solution to various potential conflicts.
5. Address labor issues.

Turkey

Backed by improved export and growing strength of retail demand, GDP is projected to grow by 9% in 2021[1]. However, inflationary pressures continue to threaten Turkey's economic growth, and recent interest rate reductions have added to inflationary pressures due to fluctuating currency rates, effect on real household income, and a challenging external environment. The country's GDP is expected to grow by 3.3% in 2022 and 3.9% in 2023[2]. The recent Lira depreciation is also anticipated to have an impact on economic activity.

Turkey's inflation is expected to drop from36% to 27%by the end of the year. The highest inflation prompted the Turkish currency to lose 44% of its value in 2021.

Govt expectation in single-digit inflation by end of 2022. Most central bank have increased interest rates contrary to government policy. Turkish GDP is expected to grow at 3.5% in 2022 and 4.0% in 2023.

Australia

The Australian economy contracted much less than expected due to recent lockdowns and is quickly bouncing back.

Employment has regained pre-lockdown levels and excluding the artificial falls during those lockdowns, the unemployment rate has fallen to the lowest level since 2008.

The economy is expected to grow by a little more than 5% over 2022 after GDP snaps back in the current quarter. Consumer spending is expected to be robust and support overall growth and along with government tax breaks, incentive strong growth in business investment. Dwelling investment will contribute to growth over the next few quarters but then residential construction activity may decline.

Australia's closed borders have contributed to the tightening in labour market conditions, with the population barely growing over the past 18 months. While the border re-opening is expected to see greater cross-border movement, we aren't expecting a rapid increase in labour availability.

The combination of expected strong demand growth and supply constraints, including in terms of labour supply and supply chain frictions, should generate higher wages growth and inflation over 2022.

South Africa

In South Africa growth is expected to be driven by a shift from exports to internal demand, fuelled by household spending and investment. The government has also taken initiatives to tackle electricity shortage within the country. Further, increase in renewable energy purchases will swiftly add to the capacity of the domestic grid and boost business confidence, thereby adding impetus to further investments.[3]

South Africa's GDP growth in 2022 is expected to be 2.1% to a level of pre-covid. However large-scale unemployment and inequalities need to be addressed.

Ghana

The economic outlook is good in the short to medium term based on an increase in Exports improved business confidence and post covid rehab support.

GDP growth is projected to be 4.1% in 2022. Inflation is expected to ease to the 8% level. The downside risk is its constraint of fiscal & debt risks.

Nigeria

Nigeria grew by 3.4% in terms of GDP in 2021, the fastest expansion since 2014. 2022 holds enormous promise, most strikingly because it should mark the end of the pandemic.

The capital expenditure budget is N4.89th which is an increase of 18% compared to 2021. This will give the chance to the increase in the construction business with more projects.

Overall, Nigerian economy for 2022 looks challenging as the proposed budget is in deficit. The Naira seems depreciating in 2022. The Central bank of Nigeria is trying to stabilize the FX market with different policies and government is also encouraging more on the export.

[1] https://read.oecd-ilibrary.org/view/?ref=1118_1118140-kf9cvlx4rp&title=Country-profile-Turkey-OECD-Economic-Outlook-Volume-2021-2

Zambia

The economy is projected to grow at 1.0% in 2021 & 2.0% in 2022 based on the recovery made in Mining, Tourism, and manufacturing sectors. The demand recovery of copper prices is a positive development & a reduction in Covid-19 cases will boost manufacturing and tourism.

The ratio of non-performing loans is expected to increase the bank liquidity negatively, slowing down private sector activities.

Tanzania

The economic outlook is positive with real GDP growth projects at 5.8% in 2022 mainly due to improved performance of the tourism sector and reopening of the trade sector. Inflation will be at 3.9% in 2021. The major downside risk is business regulatory bottlenecks.

Outlook

In 2022, once the initial uptick in consumption and investment fades and macroeconomic support reduces, global growth is predicted to significantly slow down to 4.41%. Rising inflation is also expected to be a major concern across the world.

Advanced economies are expected to return to pre-pandemic levels of output and investment by the next year. In contrast, recovery in emerging market and developing economies (EMDEs), particularly in smaller states and fragile and conflict-affected nations are expected to be lower. Further, global cooperation will be required to accomplish the goals of the Paris Climate Agreement and to decrease the economic, health, and social consequences of climate change, which disproportionately affects disadvantaged groups. In2022, countries around the world are expected to add impetus to introduce policies for implementing change in domains ranging from employment and climate change to improving income disparity.

A stronger CAPEX cycle, increased inventory building and deferred demand should ensure a moderate growth in the world economy.

Indian economy

After experiencing a difficult period due to the Covid-19 pandemic, strong macro indicators suggest a rebound, primarily on account of favourable fiscal and monetary policies. Emphasis on improving healthcare has also aided the crisis response. In FY22, GDP growth is expected to be 9.2%, reiterating the country's status as one of the fastest-growing major economies in the world.

Despite subsequent waves of the pandemic, economic activity has rebounded significantly from the lows of 2020. With the introduction of economic reforms and favourable policy support, the effects of the pandemic has been appropriately mitigated. Structural reforms like the National Infrastructure Pipeline and National Monetization Plan have been implemented by the government to boost infrastructure development. It has paved the path for further development and continues to encourage projects across sectors, including reforms for improving labour laws[2].

Agriculture and other related industries were the least affected during the pandemic. Strong sowing progress and abundant harvest increased output. Moreover, rise in MSPs along with improvement in rice procurement augmented rural earnings.

Except for private consumption, demand recovery has been significant. Export of goods and services have revived in FY22 with exceptional performance in merchandise export. Professional management consulting services, audio visual and allied services, freight transport services, telecommunications, computer and information services have played a crucial role in aiding the recovery.

Outlook

Despite the difficulties posed by the pandemic, India is the only nation to resiliently expand in all three quarters of FY22 and is estimated to grow between 8 to 8.5% in FY2022-23. Widespread vaccine coverage, sustained export growth, supply-side advantages, regulatory reforms, and growing impetus for capital spending are estimated to contribute to economic growth in FY2022-23[7].

India's consumption expenditure is also anticipated to double from $1.56 in 2020 to $3 trillion in 2030, resting on the growth of the Indian middle class as a key positive driver of the growth[3]. Further, the country is prepared for policy tightening across the world, in 2022, due to its favourable debt position in comparison to other emerging markets. The recent budget also focused on infrastructure capital expenditure and it is likely to enhance economic growth in the days ahead. Increased investment and consumption in FY23 is expected to further improve the economic prospects of the country.

Industry overview

Global industrial explosives industry

Growing population and fast urbanisation are two factors that create enormous prospects for industrial and commercial operations that require explosives. During the forecast period, it is expected to have a significant impact on the industrial explosives market.[4]

There has been a steady demand growth from the mining end-use Industry. This growth has been observed more in the European region and East Asian countries. Moreover, looking at the types of explosives, demand for bulk explosives is likely to grow at rapid pace, particularly from the coal mining and metal mining industry.

2 https://www.weforum.org/agenda/2021/11/india-s-future-and-role-in-the-post-covid-19-world/

3 https://www.thehindu.com/business/india-to-surpass-japan-as-asias-2nd-largest-economy-by-2030/article38195975.ece

4 https://www.industryarc.com/Report/18222/industrial-explosives-market-research-analysis-report.html

Challenges such as storage safety and risks associated with delivering industrial explosives, besides providing more cost-efficient solutions have always been the prime concerns of manufacturers.

Prime manufacturers have started preparing and delivering bulk explosives on site, and other manufacturers are likely to follow to keep up with the dynamic environment of this industry.

Choosing the right product for specific applications has been a difficult decision for end-use industries, thus, manufacturers have added a number of features and increased efficiency with respect to industry-specific applications to fulfill these consumer requirements.

New research and developments in the field of industrial explosives make their usage more convenient for end users, besides making them easier to store and deliver for manufacturers.

Growth in the construction industry is expected to have a positive impact on the demand for industrial explosives market. Demand is increasing due to ongoing developments in the transportation, commercial, and residential sectors.

In the past few years, the tunnel-making sector has grown owing to high transportation development activities for railways and roadways. Roadway development is being carried out on a large scale in developing countries such as China, UAE, Saudi Arabia, and India. For instance, in 2021 India inaugurated the longest highway tunnel in the world in the state of Himachal Pradesh, which has a length of 9.02 km, and is 10,000 feet above sea level.

Outlook

The CAGR is expected to grow at 5.4% between 2021 and 2027.The industrial explosives market is expected to reach US$16 billion by 2027. Huge investments for mining, coupled with favourable government initiatives are expected to drive the growth of the industrial explosive industry. Demand in the Asia Pacific region is also expected to surge due to the development of housing and infrastructure projects and improvements in the public transit systems including railways and roadways. It is also expected to increase the number of road development projects and tunnelling activities, which are heavily reliant on the usage of industrial explosives[12]. In addition, the presence of mining corporations in Australia and China are expected to improve the demand for explosives.[5]

Indian industrial explosives industry

Growth drivers for the Indian Explosives Industry

Real Estate

The real estate industry experienced significant difficulties in 2021. Despite the turmoil, the industry recovered byQ2FY21, mainly on account of an overall economic recovery boosted by rapid vaccination drives across the country[6]. The industry continues to expand at a 30% CAGR[7],owing to short as well as long-term investments from NRIs. Rapid rate of urbanisation, improved earnings, a burgeoning IT and pharmaceutical sector.

The real estate market in India is poised to reach US$1 trillion by 2030[8].By 2030 the real estate sector is expected to contribute to 13% of the GDP. FDI in Indian real estate has increased substantially and has resulted in more transparency in the sector. Developers have also employed advanced accounting and management systems to meet due diligence criteria for investments. The industry received approximately $51.5 billion in FDI[9], the Indian real estate industry is expected to attract substantial FDIs within the next two years. The Government of India is also undertaking initiatives to promote the development of the sector through the development of the smart city project and other favourable proposals for attracting lucrative investments to the sector.

Cement and limestone

India is the second-largest cement producer and consumer in the world. Almost 55% of cement is used in housing and real estate sectors. Therefore, further government investments on infrastructure and housing and local availability of raw materials like coal are essential for the growth of the industry[10]. Steady expansions, favourable profit margins and consistently growing demand have garnered interest in this sector from foreign firms. In FY20, total cement production was recorded at 329 million tonnes (MT) and it is expected to increase to 381 MT in FY22. Consumption, on the other hand, was 327MT in FY20 and is expected to increase to 379 MT by FY22. According to Crisil Ratings, the Indian cement industry is expected to add 80 MT capacity by FY24, the highest in ten years. Along with that, the consumption of cement is also expected to increase due to new government initiatives like the PM-Gati Shaki-National Master Plan (NMP). In the next ten years, India may overtake

5 https://www.wicz.com/story/45418342/Explosives-Market

6 https://economictimes.indiatimes.com/industry/services/property-/-cstruction/brick-by-brick-indian-real-estate-market-is-climbing-out-of-the-covid-hole/articleshow/86769925.cms

7 https://www.mordorintelligence.com/industry-reports/real-estate-industry-in-india

8 https://www.ibef.org/blogs/real-estate-sector-to-cross-us-1-trillion-by-2030

9 https://yourstory.com/2022/02/landscape-real-estate-sector-india-2022/amp

10 https://www.statista.com/topics/8521/cement-industry-in-india/#dossierKeyfigures

China as the world's leading supplier of clinker and grey cement to the Middle East, Africa, and other developing countries. The Government emphasis on Housing Sector will increase demand on Cement substantially.

Besides, cement manufacturing facilities near ports in Gujarat and Visakhapatnam will be logistically better equipped than cement mills in the country's interior to handle rising export demands. In FY22, cement production in India is anticipated to rise by 12% and it is expected to drive demand due to growing infrastructure and construction of Housing projects across the country. Cement demand is Expected to reach 550 – 600 MT by 2025 (IBEF dated 17-12-2021). This will give a big boost to Limestone Mining. Apart from Cement major consumer of Limestone is Steel Industry.

Steel and iron ore industry

Steel accounts for almost 2% of India's GDP and is a vital commodity used in infrastructure development and industrial manufacturing India is the world's second-largest producer of crude steel. But, in FY22consumption dropped due to scarcity of raw materials like iron ore and coking coal, driving up steel prices significantly. The industry continues to rely on imports of coking Coal from nations like Australia and South Africa[11], to fulfil 85% of its coking needs.

With the Government's emphasis on "Housing for All" in 3 years and the budget for FY23 providing ₹ 48,000 Cr. allocation to complete 80 Lakh Houses and Urban development via mega cities and tier 2 & 3 cities will boost the Real Estate Sector and consequently demand for Cement and Steel which will result in greater Mining of Limestone and Iron ore. With estimated increase of crude steel production the industry expects to witness considerable growth. It is also expected to improve demand, aided by the availability of low-cost labour. The government has set a target of increasing crude steel production to 300 MT by 2030 which will require 444 Million Tons of Iron Ore and 180 Million Tons of Limestone and raising rural steel consumption from 19.6 kg per capita to 38 kg per capita by 2030-31. With rising infrastructure investments and growth of the automobile and railway industries, demand for steel is expected to further increase.

Construction

Over the last 2 years, the Indian construction industry experienced several disruptions like labour shortages and supply chain disruptions. In March 2021, around 8.8 million jobs in the construction sector were affected due to the sudden lockdowns imposed on account of the Covid-19 pandemic. Despite difficulties, the industry picked up by the end of FY22 owing to increased manufacturing activity and strong growth of roadways and highways projects. The sector is anticipated to grow owing to the government's emphasis on infrastructure projects like the creation of 100 smart cities, world class highways and demand recovery in residential and commercial properties. The sector is constantly receiving significant funding from FDIs, private businesses, and the government. Furthermore, favourable reforms to reshape the industry is expected to make India the world's third largest construction market by 2025.

The output of the sector is also predicted to grow at an average of 7.1% per year[12].

Road and Infrastructure

The Indian economy relies heavily on the infrastructure industry. Encompassing construction, urban and rural development, real estate, telecommunications, transportation etc., the infrastructure industry has received consistent encouragement from the government. Moreover, the sector remained insulated from the severe impacts of the pandemic and continued to thrive due to prompt enactment of regulatory policies and development of world-class infrastructure. Development of roads is essential for driving economic activity and enabling trade. It also benefits other industries like steel, real estate, automobiles etc. The total length of the road network in India is 62.16 lakh kilometres and India holds the record for developing the world's second-largest road network[13], handling 64.5% of all product movement and

[11] https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/increasing-production-enhancing-raw-material-security-focus-areas-for-steel-sector-in-2022/articleshow/88537212.cms?from=mdr

[12] https://www.investindia.gov.in/sector/construction

[13] Ministry of road transport and highways

90% of India's passenger flow. [14]Due to growing demand, strong policy support and rising investments, the industry continues to undergo a massive transformation.

Between 2020 and 2025, the budgeted expenditure for infrastructure improvement has been fixed at $1.4 trillion. [15]It is expected to record a CAGR of around 7% in the sector, between 2022 and 2027[16].

The National Highways Authority of India (NHAI) and the National Highways and Infrastructure Development Corporation Ltd (NHIDCL) have built 10457 kms of national highways in FY22. As per the Union Budget, the National Highways will be further expanded by 25,000 kms between 2022-2023.[17] The rate of Road construction is expected to go up from 37 KMs per day in 2020 – 21 to 68 KMs per day in 2022 – 23. As per the Gati Shakti programme, launched by the government in October 2021, seven engines for multi-modal connectivity of states are expected to be launched along with faster implementation of infrastructure development projects[18].

By 2024-25, the government is intending to invest ₹ 102 lakh crore in infrastructure along with more initiatives for infrastructure development. In November 2021, India, the United States, Israel, and the United Arab Emirates launched a new quadrilateral economic forum to focus on regional infrastructure development projects and boost bilateral cooperation. The government also plans to undertake works for building 2,000 kilometres of rail network, as per its plans for 'Atmanirbhar Bharat' and is aiming to introduce 'Kavach', an indigenous world-class technology for safety and capacity expansion, in 2022-23.

Gati Shakti Master Plan unveiled for Infra and Multimodel connectivity will speed up the Infra development. Digital platform will bring 16 Ministries including Railways and Road for co-ordinated implementation for Infra projects. Its aims to achieve 2 Lakh KMs National Highway, increase Cargo capacity of Ports, augment to power transmission and renewal energy. According to Commerce Ministry, Logistic cost will reduce to 8% from the current 13% of GDP resulting in saving of ₹ 2 Lakh crores[19].

Housing

The Government's main emphasis has been providing Houses, power & fuel and clean Potable water to all the weaker sections.

The PMAY Urban and Rural have done commendable work for providing Housing for weaker sections. The Finance Minister has announced 80 Lakh Houses

will be completed in FY23 under PMAY Urban and Rural for which ₹ 48,000 cr, is allocated. This will require substantial quantity of Cement, Steel and Aggravate and consequently Explosives.

Mining

As the global economy began recovering from the pandemic, the metals and mining sector benefited from rebounding prices. Demand for most metals was driven upward by the release of pent-up consumer spending, new government stimulus efforts and an accelerating global energy transition.

The sector's rapid rebound as the world slowly emerged from the clutches of the pandemic, and rising demand for most mining commodities, created robust conditions for producers and explorers. These conditions are expected to persist through 2022, and in some cases beyond. In FY22, mining and quarrying sector is expected to grow by 14.3%[20].

The mining industry has been a significant contributor to the Indian economy. As one of the world's top producers of iron ore and bauxite, the harvest accounts for roughly 2.5% of the GDP in India. The country accounts for nearly 7.6% of global coal production and 10% share of the global proved coal reserves. Despite having large coal reserves, India's coal imports have been rising to meet the growing demand.

The industry is characterised by a large number of small operational mines. The number of mines which reported mineral production in

[14] https://www.financialexpress.com/economy/indias-road-network-can-pave-the-path-to-rapid-economic-recovery-in-coming-years/2355010/

[15] https://www.makeinindia.com/sector/roads-and-highways#:~:text–India%20has%20the%20second%2Dlargest,at%20about%2062.16%20lakh%20km.&text–The%20National%20Highways%2F%20Expressways%20measure,km%20in%20FY%202020%2D21.&text–Ministry%20of%20Roads%20and%20Highways,per%20day%20in%202020%2D21.

[16] https://www.mordorintelligence.com/industry-reports/infrastructure-sector-in-india

[17] https://economictimes.indiatimes.com/news/economy/infrastructure/highway-construction-speed-to-be-enhanced-to-meet-next-fiscal-target-road-transport-secy/articleshow/89382549.cms

[18] https://www.indiaretailing.com/2022/02/02/real-estate-shopping-centres/union-budget-2022-23-focus-on-infrastructure-to-drive-real-estate-growth/

[19] https://www.business-standard.com/article/economy-policy/gati-shakti-master-plan-may-help-cut-logistics-cost-to-8-of-gdp-121101500037_1.html

[20] First AE by the Economic survey 2021-22

India stood at 1,332 in FY21 as against 1,385 in the previous year.

To revive the economy following Covid-19, the Indian government launched coal auctions for commercial coal mining to companies other than those in the steel and power sectors in 2020. The move was to boost domestic coal production, reduce imports, and benefit all user industries.

There is significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub-surface deposits.

Infrastructure projects continue to provide lucrative business opportunities for steel, zinc, and aluminium producers.

Iron and steel make up a core component for the real estate sector. Demand for these metals is set to continue given strong growth expectations for the residential and commercial building industry.

Coal mining

The first quarter of FY2021 experienced a slowdown in coal consumption due to prolonged lockdowns. However, coal consumption is predicted to touch 1056 MT in 2021, surpassing the pre-pandemic level of 2019. Power generation has drastically increased in 2021, with utility power generation accounting for over 85% of the total power generation in Q1 and Q2 of FY22, in comparison to the same period in FY21[21]. While demand for coal increased, coal shortages were also experienced in few states due to heavy rainfall[22].

A continuous drive for adopting renewable energy did not impact the demand for coal and coal fired power generation is anticipated to account for 74% of total electricity generation in 2021, mostly on

account of new electricity connections in around 28.2 million households. While there was an increase in overall coal consumption to fulfil increased electricity requirements, coal supply constraints decelerated industrial activity. It hampered the output of cement and sponge iron, both having a heavy reliance on coal to meet its production requirements[24].

The Indian economy, to a large extent, is dependent on coal. With more families gaining access to electricity grids and higher sale of domestic electrical products, demand for electricity is expected to increase.

The country's coal production is expected to increase significantly in FY23, providing significant leverage against fuel shortages. The country's reliance on imports to meet its thermal coal needs has also decreased, and by FY24, the demand for Thermal Coal is expected to be met by domestic coal mines, indicating a positive outlook for the future of the coal sector in India[23].The economic survey 2022 states that India will need 1.5 Billion Tons of Coal by 2030 despite push on renewals. Domestic Coal is expected to grow by 10% annually. Coal India plans

[21] IEA Coal report 2021

[22] https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/coal-leap-in-production-improved-dispatches-to-stave-off-possible-fuel-shortages-in-2022/articleshow/88468674.cms?from=mdr

to spend ₹ 1,22,000 cr. On projects related to Coal Evacuation, Coal infrastructure and project development by 2023-24 to achieve one billion Tons by 2025. A target of all India coal production of 1.2 Billion Tonne up to the year 2023-24 has been fixed.

Coal India have achieved a production of 622.6Million Tons as against a target of 670 Million Tons for FY22. The target for FY23 is 700 Million Tons of Coal. The Captive and Private Mines have shown 30% increase over Last year production of 69.18 Million Tons and produced 89.6 Million Tons in FY22. The Government estimates, Private & Captive Mines will produce 130 Million Tons in FY23. Singareni Collieries produces 65.22 Million Tons in FY22 as against 50.58 Million Tons in FY21. SCCL have taken a Target of 70 Million Tons for FY23. Overall Coal production in FY22 was 777 Million Tons compared to 716 Million Tons in FY21, an increase of 8.5%.

A major constraint has been availability of Rakes. The Coal and Railway Ministries are working to increase Rakes availability from average 347 per day in FY22[25].

Import of Coal is around 186.58 Million Tons (upto Feb 2022) in FY22 as against 215 Million Tons in FY21 & 248 Million Tons in FY20[26].

Outlook

Rapid urbanisation and development of smart cities in India is pushing the demand for new and modern infrastructure. The government is also pushing to cut down coal imports and improve domestic coal production. These factors are expected to drive the industrial explosives growth in the domestic market in the near short-term.

Global defence industry

The global defence spending has increased dramatically, owing to the resurgence of power competition among the world's biggest geopolitical powers, as well as R&D-driven technical advancement.[24]

The global defence industry is experiencing several enduring and intersecting technological, competitive, and market transitions that will impact both immediate and distant opportunities and risks.

Scenario planning is important in cultivating new mind sets and views to ensure the agility and resilience required to navigate unsettled surroundings and a growing set of challenges and possibilities[27].

Outlook

The defence industry has weathered the pandemic due to strong order books, and 2022 is expected to be the year where defence companies will focus on rebuilding and increase agility in operations. The global defence market is predicted to increase at a CAGR of 6.8%, from $452.69 billion in 2021 to $483.47 billion in 2022, as military projects continue to be a strategic priority and countries further strengthen their militaries. The industry's potential value is expected to increase due private sector innovation in digital initiatives across production and the supply network. Furthermore, new technologies, evolving business models, and increasing innovation will further accelerate the shift toward digital and operational efficiencies. The defence industry is estimated to reach $604.82 billion by 2026, growing at a 5.8% CAGR[28].

Indian defence industry

India accounts for 3.7% of the global military spending, making it the third highest military spender in the world. The government has identified the defence sector as one of the key areas for boosting 'AtmaNirbhar Bharat, or Self-Reliant India'. By 2025, the government intends to have a turnover of $25 billion including exports of $5 billion in Aerospace and Defense goods and services. 351 companies have received 568 Defense Industrial Licenses from the government. Out of these, a total of 113 companies covering 170 Defence Industrial Licenses have conveyed commencement of production. The defence capital investment was boosted in the budget 2021-22 to support defence modernization. In 2022-23, the government set aside 68% of the capital procurement budget for Defense to be used by domestic industry. The government aims to ensure transparency, predictability, and ease of doing business by creating a robust eco-system and supportive government policies.

The Government has announced a 3rd List of 101 items for defence to be banned for Imports in a phased manner. This will help domestic industry in Long way.

Outlook

In the Union Budget, 2022 domestic procurement budget was increased by 10 per cent y-o-y, to 68 per cent of the budgeted Capital expenditure. Also, the government has allowed up to 74% FDI in Defence Sector through the Automatic Route for companies seeking new defence industrial licenses. These measures are expected to reduce the dependency of defence equipment through imports and drive domestic defence procurement.

[23] https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/indias-dependence-on-import-to-meet-thermal-coal-demand-sharply-reduced-joshi/articleshow/89405

[24] https://www.researchandmarkets.com/reports/5397869/global-aerospace-and-defense-market-2021-2025

[25] https://economictimes.indiatimes.com/industry/transportation/railways/passenger-trains-cancelled-to-rush-in-coal-rakes/articleshow/91195845.cms?from=mdr

[26] https://coal.gov.in/en/major-statistics/production-and-supplies

[27] https://cdn.ihs.com/www/pdf/The-Future-of-the-Global-Defence-Industry.pdf

[28] Defense Market Analysis, Size And Trends Global Forecast To 2022-2030 (thebusinessresearchcompany.com)

Company Overview

Opportunities:

Increase in coal demand – The overall energy consumption of India continues to rise and with the nascent supply of renewable energy, the demand for coal is expected to increase in future.

Favourable government schemes – The government's emphasis on 'Make in India' to create 'Atmanirbhar Bharat' has reduced dependence on import and increased domestic demand for defence manufacturing in India. In 2021, a new scheme under Make in India was launched to promote MSMEs in the defence exports market. The defence procurement policy 2020 underwent significant reforms and increased the automatic approval of FDI from 49% to 74%. It is expected to attract foreign funding to India's defence sector[29].

Favourable schemes for space sector - With increased private participation in space activity, the government continues to introduce favourable schemes to encourage development in this space. The launch of the **Indian Space Association** will help private players to conduct space operations easily. The NITI Ayog, as a part of the Atal Innovation Mission, has also launched the Atal Tinkering Lab (ATL) space challenge in collaboration with ISRO and the Central Board of Secondary Education (CBSE) to encourage young talent. The Indian government is set to propose a revised FDI strategy for the Indian space sector, offering huge investment opportunities for foreign companies[30].

Impetus for infrastructure investments – The government's ₹ 100 crore master plan for multimodal connectivity is expected to usher changes within the infrastructure sector. The development of Smart Cities are also expected to improve investments in infrastructure.

Threats:

At the outset, Solar does not face major potential threats to its long-term business sustainability. Driving on robust financials, excellent order book, strong operating efficiencies and enhanced intellectual capital capabilities position Solar to continue delivering value to stakeholders. However, uncertainty in the geo-political environment, emerging Covid-19 variants and supply chain logistics are pertinent threats to cause short-term business disruptions.

Product wise performance

Industrial Explosives:

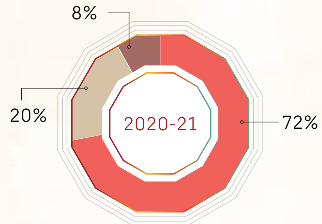
Industrial explosives comprise:

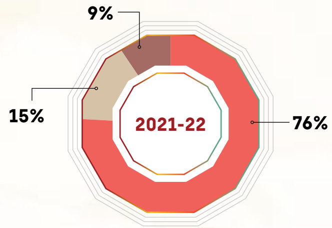
- Bulk Explosives
- Packaged Explosives
- Initiating Systems

Defence Products:

- High Energy Materials (HMX, RDX, TNT & Compounds)
- Composite Propellants for (Pinaka, Akash, Brahmos etc.)
- Explosives Filling of Ammunitions
- Mines, Multi-Mode Hand Grenade, Warheads
- Fuses, Pyros and Ignitors
- Rocket Integration

Product-wise revenue mix





Explosives Initiating Systems
Defence

Risk Management

At Solar, the Board continues to have the ultimate responsibility for risk management and internal control, with a particular focus on defining the Company's risk appetite, regularly assessing and monitoring principal risks and reviewing reports produced by internal auditors on internal controls and risk reports.

A detailed risk management process and plan is explained on page 22 of the report.

[29] https://economictimes.indiatimes.com/news/defence/view-indian-defence-sector-waking-up-to-the-call-of-hour/articleshow/84399935.cms?from=mdr

[30] https://www.ibef.org/blogs/major-reforms-transforming-indian-space-sector

Financial Overview

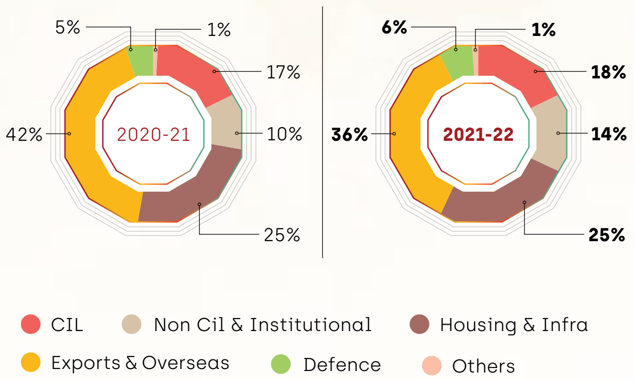
A detailed financial overview of the Company for the FY 2021-22 is available in the financial capital section on page 28 and Board`s Report on page 68 forming part of this Annual Report.

Details of Key Financial Ratios (Consolidated)

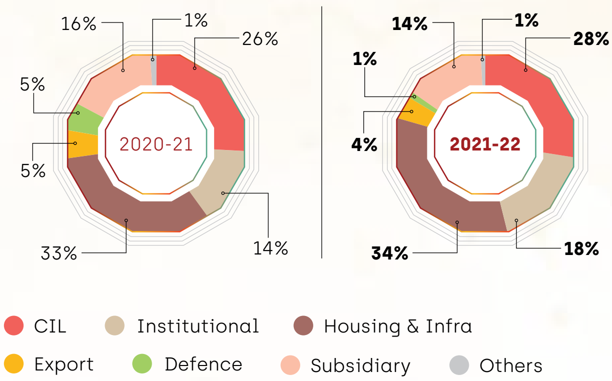
S.No.	Key Financial Ratios	FY 2021-22	FY 2020-21
1.	Debtors Turnover	7.92	6.09
2.	Inventory Turnover	4.59	4.10
3.	Interest Coverage Ratio	13.09	9.75
4.	Current Ratio	1.49	1.50
5.	Net Debt Equity Ratio	0.41	0.39
6.	Adjusted Operating Profit Margin (%)	17%	18%
7.	Adjusted Net Profit Margin (%)	12%	11%
8.	Return on Net Worth (%)	23.05%	17.50%

1. Interest coverage ratio increased in FY 2021-22 due to low interest rates globally.
2. 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.

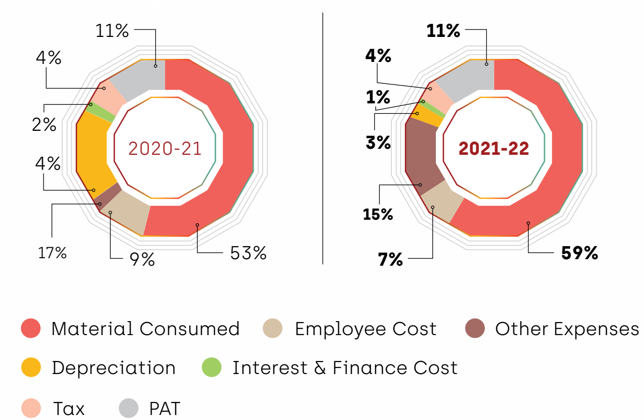
Customer-wise revenue mix (in %) Consolidated



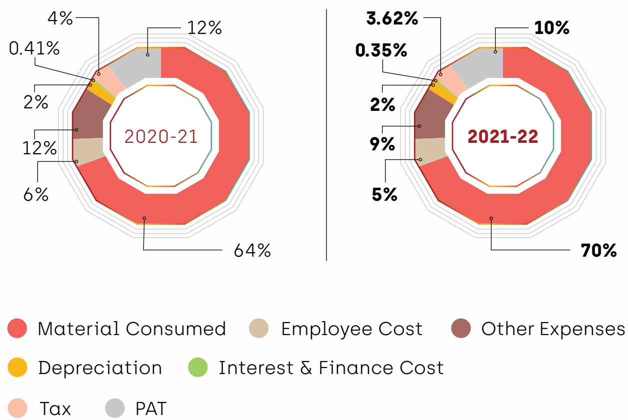
Customer-wise revenue mix (in %) Standalone Sales



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 34 of the Annual Report.

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 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, interalia, 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 element 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, 2022, internal financial controls were adequate and operating effectively.

Outlook

With growing market demand, the Company continues to enhance its foray in a dynamic industry. It is consistently improving production volumes and fulfilling short as well as long-term targets. The Company considers product efficiency and technological improvements core competencies for cementing its position as a leader in the explosives market. The Company undertakes effective strategies to contribute to the defence sector and develops robust products to enhance its current capabilities and improve contributions towards Atmanirbhar Bharat. The company is ideally positioned to capitalise on growing prospects in Indian and international markets and further strengthen its performances in the days ahead.

Cautionary Statement

This document contains statements about expected future events, 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 2021-22.

Report on Board of Directors'

Dear Members,

Your Board of Director's have pleasure in presenting the 27th Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

The Company's Financial Performance (Standalone & Consolidated) for the Financial Year ended March 31, 2022 is summarised below.

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	2528.34	1584.41	3947.60	2515.63
Other Income	36.17	25.64	19.22	21.42
Less: Expenditure	2153.22	1312.32	3199.94	2001.03
Profit before Depreciation, Amortization, Finance Costs, Exceptional Items and Tax Expense (Operating profit)	411.29	297.73	766.88	536.02
Less: Finance Costs	8.85	6.52	50.25	45.39
Profit before Depreciation, Amortization, Exceptional Items & Tax Expense	**402.44**	**291.21**	**716.63**	**490.63**
Less: Depreciation and amortisation expense	49.42	37.98	109.23	93.53
Profit before Tax Expense & Exceptional item	**353.02**	**235.23**	**607.40**	**397.10**
Less: Exceptional item	-	-	-	-
Profit before Tax (PBT)	**353.02**	**235.76**	**607.40**	**397.10**
Less: Tax Expense	91.50	64.15	151.95	109.03
Profit for the year	**261.52**	**189.08**	**455.45**	**288.07**
Other Comprehensive Income (Net of Tax)	1.55	0.65	(26.59)	(12.51)
Total Comprehensive Income	**263.07**	**189.73**	**428.86**	**275.56**
Balance of profit for earlier years	483.72	423.68	820.35	684.23
Less: Transfer to Reserves	100.00	75.00	104.01	75.00
Less: Dividend paid on Equity Shares	54.29	54.29	54.29	54.29
Less. Other adjustment	0.07	0.40	(3.6)	10.15
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	592.43	483.72	1094.51	820.35
Earnings Per Share (EPS)	28.90	20.89	48.77	30.54

RESULTS OF OPERATIONS

The Highlights of the Company's performance (Standalone) for the year ended March 31, 2022 are as under:

- During the financial year ending on March 31, 2022 the Company achieved turnover of ₹ 2528.34 Crores as against turnover of ₹ 1584.40 Crores achieved during the previous year, which is an increase in turnover by 60%.
- The Profit before Depreciation & Tax (PBT) for the financial year 2021-22 is ₹ 402.44 Crores against ₹ 291.21 Crores in the year 2020-21.
- Earnings per Share as on March 31, 2022 are ₹ 28.90 vis a vis against ₹ 20.89 as on March 31, 2022.
- The net worth of the Company stands at ₹ 1365.59 Crores at the end of financial year 2021-22 as compared to ₹ 1156.81 Crores at the end of financial year 2020-21.

The Highlights of the Company's performance (Consolidated) for the year ended March 31, 2022 are as under:

- During the financial year ending on March 31, 2022 the Company achieved turnover of ₹ 3947.60 Crores as against turnover of ₹ 2515.63 Crores achieved during the previous year, which is an increase in turnover by 57%.
- The Profit before Depreciation & Tax (PBT) for the financial year 2021-22 is ₹ 716.63 Crores against ₹ 490.63 Crores in the year 2020-21.

- Earnings Per Share as on March 31, 2022 is ₹ 48.77 vis a vis against ₹ 30.54 as on March 31, 2021.
- The net worth of the Company stands at ₹ 1914.26 Crores at the end of financial year 2021-22 as compared to ₹ 1579.41 Crores at the end of financial year 2020-21.

2. TRANSFER TO RESERVES

The Company has transferred ₹ 100.00 Crores to the general reserve out of the amount available for appropriations and an amount of ₹ 592.43 Crores is proposed to be retained in the statement of profit and loss.

3. DIVIDEND DISTRIBUTION POLICY

Under the regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated a Dividend Distribution Policy.

The Policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

As a green initiative, the Policy has been uploaded 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. DIVIDEND

The Board of Directors at their meeting held on May 3, 2022, has recommended payment of ₹ 7.50/- (Rupees Seven and Fifty paisa only) (375%) per equity share of the face value of ₹ 2 (Rupees two only) each as final dividend for the financial year ended March 31, 2022. 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 including dividend tax for the financial year 2021-22 would aggregate to ₹ 67.87 Crores.

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 Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website: www.solargroup.com.

The dividend recommended is in accordance with the principles and criteria as set out in the Dividend Distribution Policy.

5. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.

6. 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 ("Act") and the Companies (Acceptance of Deposits) Rules, 2014.

7. 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+	Reaffirmed	CRISIL Ratings Limited
		ICRA A1+	Reaffirmed	ICRA Limited

8. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS WITH RELATED PARTIES

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 have been provided in the notes to the Financial Statements forming a part of this Annual Report.

9. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Company has 6 Wholly owned subsidiaries and 18 fellow subsidiaries as on March 31, 2022.

During the year under review:

1. Blastec (India) Private Limited, wholly owned subsidiary got merged into Emul Tek Private Limited another wholly owned subsidiary of the Company resulting in operational synergies and reduction in cost together with focused operational efforts, rationalization, standardisation and simplification of business processes.
2. Solar Bhatgaon Extension Mines Pvt. Limited and SMS Bhatgaon Mines Extension Pvt. Limited (Associates Companies) has been struck off by the Registrar of Companies, Mumbai, on the basis of application filed by the respective Companies.
3. Solar Overseas Singapore Pte Limited (SOSPL), step down overseas subsidiary of the Holding Company has acquired 26% stake in Solar Mining Services Pty Limited (SMS Pty Ltd), Australia. SOSPL now holds 100% stake in SMS Pty Ltd., Australia.
4. The name of Laghe Venture Company Limited has been changed to Solar Venture Company Limited.

Post Balance Sheet date event

1. The Company has made a strategic investment in ZMotion Autonomous Systems Private Limited having an expertise in the domain of Unmanned Aerial Systems which complements our aspirations to introduce weaponised Unmanned Aerial Vehicles for Offensive and Counter Drone Systems for Defensive Roles by acquiring equity shares equivalent to 25.11% of the issued and paid up equity share capital of ZMotion from its Promoters and existing Shareholders.

   ZMotion has became Associate Company of Solar Industries India Limited after the said investment.
2. Solar Explochem Limited, a wholly owned subsidiary got incorporated on April 29, 2022.
3. The Board at its meeting held on May 3, 2022, 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 insted of Whole- time Director of the Company.

10. FINANCIAL PERFORMANCE OF COMPANY'S SUBSIDARIES

A list of body corporates which are subsidiaries and joint ventures 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.

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.

11. SHARE CAPITAL

Equity Shares

The paid up Equity Share Capital as on March 31, 2022 was ₹ 18.10 Crores. 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 any 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 share with 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 any Employee Stock Options.

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 auditors 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 controls 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 22 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 ₹ 16289.00 relating to financial year 2013-2014 (final) and ₹ 26328.00 relating to financial year 2014-2015 (interim) and there are no shares due and outstanding to be transferred to the IEPF by the Company. The details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

15. 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, economics 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.

A brief profile of the Directors is available on the website of the Company at www.solargroup.com.

16. DECLARATION BY INDEPENDENT DIRECTORS

The Company has 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; and
2. They have registered themselves with the Independent Director's Database maintained by the IICA.

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.

17. BOARD MEETINGS

During the year, Five Board Meetings were convened and held on May 27, 2021, July 29, 2021, October 29, 2021, January 29, 2022 and March 31, 2022. The details of which are given in the Corporate Governance Report.

18. BOARD COMMITTEES & NUMBER OF MEETINGS OF BOARD COMMITTEES

The Board has the 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.

19. INTERNAL FINANCIAL CONTROL AND ITS ADEQUECY

Solar has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The current system of internal financial control is aligned with the statutory requirements. Effectiveness of internal financial control is ensured through management reviews, controlled self-assessment and independent testing by the Internal Auditor.

20. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor 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) and 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

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.

The Policy provides adequate protection to the Directors, employees and business associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

Further, the mechanism adopted by the Company encourages a whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of the whistle blower who avails of such mechanism as well as direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the whistle blowers have been denied access to the Audit Committee of the Board.

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. 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 complied with the provisions relating to the constitution of Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Retirement by Rotation

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 a Director not liable to retire by rotation.

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

The Act mandates that at least two–third of the total number of Directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Shri Suresh Menon, 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 recommend his re-appointment at Item No. 3 of the Notice Calling 27th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Suresh Menon 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 27th Annual General Meeting.

b. Appointment

Shri Milind Deshmukh was appointed as a Whole- time Director designated as Executive Director & Key Managerial Personnel of the Company, liable to retire by rotation for a period of Five (5) consecutive Years, w.e.f. July 29, 2021.

c. Re-appointment

1. Shri Manish Nuwal (DIN: 00164388) was appointed as Managing Director of the Company for a period of one year from April 1, 2021 to March 31, 2022. The Board, on recommendation of the Nomination and Remuneration Committee and after evaluating his performance and the valuable contribution made by him in the progress of the Company, has approved his re-appointment for another term of Five (5) years commencing from April 1, 2022 to March 31, 2027 subject to approval of the shareholders.

   The brief resume and other details relating to Shri Manish Nuwal who is 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 27th 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.

2. In accordance with Section 161 of the Companies Act, 2013 and as per the Articles of Association of the Company, Shri Sanjay Sinha (DIN:- 08253225) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f May 3, 2022, to hold office upto the date of ensuing Annual General Meeting of the Company as per the provisions of Section 161(1) of the Act and he shall hold the office upto the date of ensuing Annual General Meeting. The Board recommends appointment of Shri Sanjay Sinha (DIN:- 08253225) as a Non-Executive Independent Director of the Company for a period of 2 (Two) years subject to the approval of the members at the ensuing Annual General Meeting.

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

   The brief resume and other details relating to Shri Sanjay Sinha who is proposed to be 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 27th 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

1. Shri Anil Kumar Jain, Executive Director of the Company stepped down from the Board w.e.f August 21, 2021 due to personal reasons.

2. Shri Sunil Srivastav, Non-Executive Independent Director of the Company stepped down from the Board w.e.f January 13, 2022 due to personal and professional commitments.

f. Vacation

Shri Kailashchandra Nuwal (DIN: 00374378) has 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 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, 2022 are:

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

*Chairman and Non- Executive Director w.e.f 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

On the recommendation of the Nomination and Remuneration Committee, the Board has framed a Nomination and Remuneration Policy. This policy, inter-alia, provides (a) the criteria for determining qualifications, positive attributes and independence of Directors (b) a policy on remuneration for Directors, Key Managerial Personnel and other employees and (c) details of the employee stock option scheme. 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 long-term 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/SolargroupNRPolicy

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, 2022 in Form MGT - 7 is in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, and 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 2021-22, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2021-22 is as follows:**

Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2021-22
Shri Satyanarayan Nuwal *	Chairman and Executive Director	282.61	333.33%
Shri Manish Nuwal	Managing Director & CEO	108.70	66.67%
Shri Suresh Menon	Executive Director	14.49	25.00%
Shri Milind Deshmukh**	Executive Director	10.14	New appointment
Shri Moneesh Agrawal	Joint Chief Financial Officer	8.70	New appointment
Smt. Shalinee Mandhana	Joint Chief Financial Officer	6.38	New appointment
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	4.35	50.00%

Note:

1. The Non-Executive Directors of the Company are entitled to sitting fee as per the statutory provisions and within the limits approved by the Members. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
2. There was 196.33% increase in remuneration of director and KMP in the financial year 2021-22.
3. *Chairman and Non Executive Director w.e.f May 3, 2022.
4. **Shri Milind Deshmukh was appointed as Whole Time Director and KMP w.e.f July 29, 2021.
5. Shri Anil Kumar Jain, Executive Director of the Company stepped down from the Board w.e.f August 21, 2021.
6. Shri Nilesh Panpaliya resigned from the position of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021.

b. **The percentage increase in the median remuneration of employees in the financial year: 93.90%**

c. **The number of permanent employees on the roll of Company: 1272**

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 annual increase in remuneration of employees other than Key Managerial Personnel was 17.80%.The average annual increase in the remuneration of Key Managerial Personnel was 30.05%. The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

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 2021-22 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 on 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 submits within 30 days from the date of publication 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.

During the year, the Company amended the Policy on Dealing with Related Party Transactions ('RPT Policy') which was approved by the Board at its meeting held on January 29, 2022 to give effect to the amendments in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. The RPT Policy is available on the Company's website at www.solargroup.com

32. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our employees are our key strength, which has led us to achieve the results and various milestones in our organization's journey. The Company believes that attracting, developing and retaining talent is crucial to organizational success. The Company has several initiatives and programs to ensure employees experience a holistic and fulfilling career with Solar.

The Company is constantly engaged in building employee Competence in all areas of the business. The Behavioral and Functional Competency framework is being institutionalised, with due focus on developing leadership capability; technical and functional expertise; and research capabilities of employees to develop in-house products with impeccable safety, quality and reliability standards. Several management development tools are being practiced for competency building amongst all levels of employees and focused succession planning and talent pool building is in progress. Coaching and Mentoring program are being imparted for employees occupying critical roles and positions. For new talent, structured and rigorous on-boarding and induction process is being followed to assure adhering to safety and quality standards from day one in the organisation. Management Development Programs are continuously planned and executed to hone leadership capability of employees. The Company is maintaining smooth Industrial relation and statutory compliance at all plants and offices.

With a focus on digitalization, we are also implementing several robust HR practices and processes to enhance employee experience, engagement and enablement to deliver exemplary results. Some of the initiatives include structured talent management process, employee engagement surveys to check employee pulse, performance management system and so on.

33. 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 subsidiaries. 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

34. AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. SRBC & Co. LLP (Firm Registration No. 324982E/E300003) and M/s. Akshay Rathi & Associates (Firm Registration No. 139703W) Chartered Accountants Statutory Auditor of the Company hold office till the conclusion of 27th Annual General Meeting of the Company.

The Board places on record, its appreciation for the contribution of M/s. Akshay Rathi & Associates., Chartered Accountants, during his tenure as the Statutory Auditors of the Company.

The Board of Directors has recommended the reappointment of M/s. SRBC & Co. LLP (Firm Registration No. 324982E/E300003) for a second term of 5 (Five) years and the appointment of M/s. Gandhi Rathi & Co (Firm Registration No. 103031W) as Statutory Auditors for a First term of 5 (Five) years, from the conclusion of the 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting to be held in the year 2027 for approval of shareholders of the Company based on the recommendation of Audit Committee.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 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) from M/s. SRBC & Co. LLP and M/s. Gandhi Rathi & Co. Further, M/s. SRBC & Co. LLP and M/s. Gandhi Rathi & Co. Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

Statutory Audit Report

The M/s. SRBC & Co. LLP (Firm Registration No. 324982E/E300003) and M/s. Akshay Rathi & Associates (Firm Registration No. 139703W) have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended March 31, 2022. The said Auditors' Report(s) for the financial year ended March 31, 2022 on the financial statements of the Company forms part of this Annual Report.

Cost Auditors

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 2021-22.

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 2022-23 M/s Khanuja Patra & Associates being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2022-23.

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 on quarterly basis by M/s Ekbote Deshmukh & Co. and M/s D L & Associates, 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 Mr. Sachin Maloo, Managing Director of M/s. Protiviti India Member Private Limited in place of M/s Ekbote Deshmukh & Co. Chartered Accountants and M/s D L & Associates Chartered Accountants, 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 2022-23.

Secretarial Auditors

The Secretarial Audit for the year 2021-22 was undertaken by Shri Anant B Khamankar, practicing Company Secretary, the Secretarial Auditor of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2022 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations records of the Company and its Material Subsidiary is annexed herewith as "Annexure B1 and B2".

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed Shri Anant B Khamankar, practicing Company Secretary, Mumbai to conduct the secretarial audit of the Company for FY 2022-23. They have confirmed their eligibility for the re-appointment.

Secretarial Audit Report

The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

35. CORPORATE SOCIAL RESPONSIBILITY

A detailed report on Solar's various CSR initiatives has been provided in the Social Capital section forming part of Integrated Report on page 40 and Annual Report on CSR initiatives, as required under Section 135 of the Companies Act, 2013 which is annexed as Annexure C to this report on page 85. Details of the CSR Committee composition, role and meetings, etc. have been provided in the Report on Corporate Governance on page 91.

The CSR policy is available on https://bit.ly/SolargroupCSRpolicy

36. 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".

37. STATEMENT OF MANAGEMENT'S 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. 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.

39. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("BRR") of the Company for the year 2021-22 forms part of this Annual Report as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

40. DIRECTOR'S RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts of the Company for the year ended March 31, 2022, the applicable Accounting Standards had been followed and there are no departures;

ii. 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, 2022 and of the profit of the Company for that year ended on that date;

iii. 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;

iv. Annual accounts for the year ended March 31, 2022 have been prepared on a going concern basis.

v. Internal Financial controls were in place and that the financial controls were adequate and were operating effectively.

vi. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

41. PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

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.

42. CEO/CFO CERTIFICATION

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report.

43. APPRECIATION & ACKNOWLEDGEMENT

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

Place : Nagpur
Date : May 3, 2022

(Satyanarayan Nuwal)
Chairman

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:

(a) Name(s) of the related party and nature of relationship: Not Applicable

(b) Nature of contracts/arrangements/transactions: Not Applicable

(c) Duration of the contracts / arrangements/transactions: Not Applicable

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

(e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

(f) Date(s) of approval by the Board: Not Applicable

(g) Amount paid as advances, if any: Not Applicable

(h) 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:

a. Name(s) of the related party and nature of relationship: Not Applicable

b. Nature of contracts / arrangements / transactions: Not Applicable

c. Duration of the contracts / arrangements / transactions: Not Applicable

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

e. Date(s) of approval by the Board, if any: Not Applicable

f. 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

Place : Nagpur
Date : May 3, 2022

(Satyanarayan Nuwal)
Chairman

ANNEXURE 'B1'

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2022.

(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, 2022 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 financial year ended on 31st March, 2022 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made there under;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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;

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; and

OTHER APPLICABLE LAWS:

i. The Indian Boilers Act, 1923

ii. The Standards of Weights and Measures (Enforcement) Act, 1985

iii. The Explosives Act, 1884

iv. The Environment (Protection) Act, 1986

v. The Air(Prevention and Control of Pollution) Act, 1981

vi. The Legal Metrology Act, 1999

vii. The Public Liability Insurance Act, 1991

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 audit period:

1. The Commercial paper (CP) of ₹ 50 Crores issued on November 22, 2021 has been redeemed on February 21, 2022 after making payment on due date.

2. The Company, Solar Industries India Limited has 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 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.

FOR ANANT B KHAMANKAR & CO.

ANANT KHAMANKAR
FCS No. : 3198
CP No. : 1860
UDIN: F003198D000073721

DATE : 12-04-2022
PLACE : MUMBAI

ANNEXURE 'B2'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED ON 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 **Economic Explosives Limited'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 year ended on 31st March, 2022 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 Economic Explosives Limited for the year ended on 31st March, 2022 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, 2009; 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:

(i) The Indian Boilers Act, 1923

(ii) The Standards of Weights and Measures (Enforcement) Act, 1985

(iii) Explosives Act, 1884

(iv) The Legal Metrology Act, 1999

(v) The Public Liability Insurance Act, 1991

(vi) Mines Act, 1952 (wherever applicable)

(vii) Mines and Mineral (Regulation and Development) Act, 1957 (wherever applicable)

(vii) The Environment (Protection) Act, 1986

(viii) The Water (Prevention and Control of Pollution) Act, 1974

(ix) The Air (Prevention and Control of Pollution) Act, 1981

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 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.

ANANT KHAMANKAR
FCS No. : 3198
CP No. : 1860
UDIN: F003198D000079780

DATE : 12-04-2022
PLACE : MUMBAI

ANNEXURE 'C'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. CSR Policy:

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. Health & Hygiene
2. Disaster Management and COVID Relief efforts
3. Education
4. Animal Welfare & Rural Development
5. Rural Development
6. Skill Development

2. Composition of CSR Committee as on March 31, 2022:

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/ Executive Director	4	4
2	Shri Manish Nuwal	Member/ Executive Director / MD & CEO	4	4
3	Shri Ajai Nigam	Member/Non-Executive Independent Director	4	4

* Chairman and Non- Executive Director w.e.f May 3, 2022.

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/SolargroupCSRpolicy

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programmes. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and shall initiate steps to conduct impact assessment of CSR projects through an independent agency for the applicable projects.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
Nil			

6. Average net profit of the Company as per section 135(5) for F.Y. 2021-2022: ₹ **271.09 Crores**

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ **5.42 Crores**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- **Not Applicable**

   (c) Amount required to be set off for the financial year, if any. **Not Applicable**

   (d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ **5.42 Crores**

8. (a) CSR amount spent or unspent for the financial Year 2021-2022:

Total Amount Spent for the Financial Year (in Crores)	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
₹ 5.50 Cr.	Nil	Nil	Nil	Nil	Nil

   (b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District.						Name	CSR Registration number
Nil												

   (c) Details of CSR amount spent against other than ongoing projects for the financial year: Please refer the table on page 87.

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

[In Crores]

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	**Name of the CSR Project/ Activities**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (amount in Crores)**	**Mode of implementation Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration number**
1.	**Upgradation of Hospital infrastructure and Provisioning of Medical Equipments**	Promoting healthcare including preventive healthcare activities	Yes	Maharashtra	Nagpur	2.00	Direct	N.A	N.A
2	**COVID relief efforts to combat COVID-19 (Pandemic)** • Distribution of Ventilators, Oxygen Concentrator and other Medical Equipments • Free Vaccination • Awareness Campaigns	Disaster management including relief rehabilitation and Reconstruction	Yes	Maharashtra	Nagpur	1.46	Direct	N.A	N.A
3	**Infrastructural development of schools** • Providing education to Tribal Students • Providing education to underprivileged children	Promotion of Education	Yes	Maharashtra	Nagpur	0.71	Direct	N.A	N.A
4	**• Infrastructure upgradation of Gaushalas and Improving livelihood of local farmers through cattle welfare**	Animal welfare & Rural Development	Yes	Maharashtra	Nagpur	1.08	Direct	N.A	N.A
	• Initiatives for Wildlife Protection		Yes	Maharashtra	Khapri		Direct	N.A	N.A
5	**Contribution for setting up of training center in Rural area**	Rural Development	Yes	Maharashtra	Thadipawni Narkhed	0.15	Direct	N.A	N.A
6.	**Contribution for skill development programme.**	Skill Development	Yes	Maharashtra	Nagpur	0.10	Direct	N.A	N.A
	Total					**₹ 5.50**			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **5.50 Crores**

(g) Excess amount for set off, if any

Sr. No	Particular	Amount (in Crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	**5.42**
(ii)	Total amount spent for the Financial Year	**5.50**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**0.08**
(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)]	**0.08**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sr. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Crores)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(In Crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (In ₹)	Status of the project - Completed / Ongoing
1.	___	Infrastructure Development of School	2019-20	3 years	3.00	0.50	2.50	Completed
	TOTAL				**3.00**	**0.50**	**2.50**	

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

   a) Date of creation or acquisition of the capital asset(s): **Not Applicable**

   b) Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**

   c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

   d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

2. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

For and on behalf of the Board

Place : Nagpur
Date : May 3, 2022

(Satyanarayan Nuwal)
Chairman
Corporate Social Responsibility 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 are being continuously upgraded to consistently accomplish this goal. The Company has a distinction of having all its 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 or 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.

The Company has spent ₹ 25 Crores as capital investment on energy conservation equipment during the FY 2021-22.

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

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:

(₹ In Crores)

Sr. No.	Particulars	2021-22
1.	Capital	0.00
2.	Recurring	1.47
3.	Total	1.47
4.	R&D Expenditure percentage of Turnover	0.06%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Crores)

Sr. No.	Particulars	2021-22
a.	Earnings in Foreign Exchange	274.08
b.	Outgo in Foreign Exchange	275.19

For and on behalf of the Board

Place : Nagpur
Date : May 3, 2022

(Satyanarayan Nuwal)
Chairman

Report on Corporate Governance

1. CORPORATE GOVERNANCE

1.1 Introduction:

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 [the Listing Regulations, 2015] and the report contains the details of Corporate Governance systems and processes at Solar Industries India limited.

1.2 Company's Philosophy on Corporate Governance:

SOLARS' 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.

SOLAR has a well-defined policy framework inter-alia consisting of the following:

- Code of Conduct for Directors and Senior Management Personnel
- Code of fair disclosures of unpublished price sensitive information
- Code of Conduct for Prohibition of Insider Trading
- Remuneration Policy for Directors, KMP and other Employees
- 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
- Policy for procedure of inquiry for leak of UPSI
- Information Security Policy
- Data Privacy Policy

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.

2. FIRST LAYER GOVERNANCE BY BOARD OF DIRECTORS

The Corporate Governance structure at Solar is as follows:

At Solar governance structure comprises of Board of Directors, committees of the board and the management. The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

2.1 Composition of Board:

The composition of the Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulation, 2015.

The composition of Board of Directors as on March 31, 2022 is as follows:

Sr. No.	Particulars	Category	No. of Directors
1	Executive Chairman	Promoter	1
2	Managing Director & CEO	Promoter	1
3	Executive Directors	Non-Promoter	2
4	Non-Executive Independent Directors	--	4

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.

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 needs of the Company.

Confirmation and Certification

The Company annually obtains from Directors, details of the Board and Board Committee positions he/ she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. T S Pahade & Associates, Practicing Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming 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 SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

2.2 Policy for selection and appointment of Directors, KMP and their remuneration:

The Company has in place a policy for remuneration of Directors and Key Managerial Personnel as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees), Key Managerial Personnel.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates.

2.3 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.

During the financial year 2021-22 all the Board and Committee meetings were conducted through both physically and audio visual means.

The notice of Board Meeting is given well in advance to all the Directors. Usually, meetings of the Board are held at Nagpur at the registered office of the Company. 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.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

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 Company Secretary records minutes of proceedings of each Board and Committee meeting. 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 2021-22, the Board of Directors met Five times i.e. May 27, 2021, July 29, 2021, October 29, 2021, January 29, 2022 and March 31, 2022. The necessary quorum was present for all the meetings. The maximum interval 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. 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.

2.4 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, a separate meeting of the Independent Directors of the Company was held on March 19, 2022.

i. Review the performance of non- independent directors and the Board as a whole;

ii. Review the performance of the Chairperson of the Company, taking into account the views of executive directors and Non-executive Directors

iii. 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.

Terms and conditions of Appointment

As required under Regulation 46(2)(b) of the Listing Regulations, 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

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

Declaration by Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations, 2015 read with Section 149(6) of the Act 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 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 8 listed entities (as specified in Regulation 17A of the Listing Regulations, 2015) 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, 2015). 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, 2015), across all the Indian public limited companies in which he/she is a Director.

Change in Designation

The Board at its meeting held on May 3, 2022, 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 instead of Whole-time Director of the Company.

Appointment

In accordance with Section 161 of the Companies Act, 2013 and of the Articles of Association of the Company, Shri Sanjay Sinha (DIN:- 08253225) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f May 3, 2022, to hold office upto the date of ensuing Annual General Meeting of the Company. The Board recommends to the Shareholders of the Company, the appointment of Shri Sanjay Sinha (DIN:- 08253225) as a Non-Executive Independent Director of the Company for a period of 2 (Two) years from the conclusion of 27th Annual General Meeting till the conclusion of 29th Annual General Meeting.

Cessation

Shri Sunil Srivastav, Non-Executive Independent Director has stepped down from the Board effective from January 13, 2022, due to personal reasons and other professional commitments and there are no other material reasons. The Directors wish to record their gratitude and appreciation for the wise counseling and contributions by Shri Sunil Srivastav during his tenure as the Director of the Company.

Governance Codes

Conflict of Interests

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 2021-22

Sr. No.	Name of the Director	Director Identification Number	Category	Attendance at	
				Board Meeting	Last AGM
1.	Shri Satyanarayan Nuwal*	00713547	Chairman and Executive Director	4/5	Present
2.	Shri Manish Nuwal	00164388	Managing Director and CEO	5/5	Present
3.	Shri Suresh Menon	07104090	Executive Director	5/5	Present
4.	Shri Milind Deshmukh**	09256690	Executive Director	3/3	Present
5.	Shri Dilip Patel	00013150	Non-Executive Independent Director	5/5	Present
6.	Shri Ajai Nigam	02820173	Non-Executive Independent Director	5/5	Present
7.	Shri Amrendra Verma	00236108	Non-Executive Independent Director	5/5	Present
8.	Smt. Sujitha Karnad	07787485	Non-Executive Independent Director	5/5	Present
9.	Shri Anil Kumar Jain***	03532932	Executive Director	2/2	Present
10.	Shri Sunil Srivastav****	00237561	Non-Executive Independent Director	3/3	Present

Notes:-

1. *Chairman and Non Executive Director w.e.f May 3, 2022.
2. **Appointed w.e.f July 29, 2021.
3. ***Resigned w.e.f August 21, 2021.
4. ****Resigned w.e.f January 13, 2022.
5. Shri Sanjay Sinha (DIN: 08253225) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f May 3, 2022
6. 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 staying the order of Hon'ble NCLT dated February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Hon'ble Supreme Court of India by filling 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.

2.5 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 the Listing Regulations, 2015 and they are independent of the management.

2.6 Profile of Board of Directors:

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

Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

Directorships and Memberships of Board Committees as on March 31, 2022

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (including SIIL)	Chairmanship in committees of Board (including SIIL)	Membership in committees of Board (including SIIL)
1.	Shri Satyanarayan Nuwal*	Chairman and Executive Director	05	-	-
2.	Shri Manish Nuwal	Managing Director and CEO	08	-	03
3.	Shri Suresh Menon	Executive Director	01	-	02
4.	Shri Milind Deshmukh**	Executive Director	01	-	-
5.	Shri Dilip Patel	Non-Executive Independent Director	05	05	06
6.	Shri Ajai Nigam	Non-Executive Independent Director	02	-	00
7.	Shri Amrendra Verma	Non-Executive Independent Director	05	04	07
8.	Smt. Sujitha Karnad	Non-Executive Independent Director	01	-	01

Notes:

1. * Chairman and Non-Executive Director w.e.f May 3, 2022.
2. **Appointed w.e.f July 29, 2021.
3. Shri Anil Kumar Jain, Executive Director of the Company stepped down from the Board w.e.f August 21, 2021.
4. Shri Sunil Srivastav, Non-Executive Independent Director of the Company stepped down from the Board w.e.f January 13, 2022.
5. Shri Sanjay Sinha (DIN: 08253225) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f May 3, 2022.
6. 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 staying the order of Hon'ble NCLT dated February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Hon'ble Supreme Court of India by filling 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' Grievance 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, 2022.

2.7 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.
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.	-
3.	Shri Suresh Menon	A deep understanding of explosives market (both at Domestic and global markets).	-
4.	Shri Milind Deshmukh	Deep understanding of global business dynamics, across various geographical markets and regulatory jurisdictions.	-
5.	Shri Dilip Patel	Strong financial and leadership skills backed with effective communication skills	Godavari Drugs Limited (Non-Executive Independent Director)
6.	Shri Ajai Nigam	He possess deep knowledge and understanding of Explosives Act, Rules and Regulations	-
7.	Shri Amrendra Verma	A financial expert with vast knowledge in finance and Banking sector.	1. Electro Steel Castings Ltd (Non-Executive Independent Director) 2. SIS Limited (Non Executive Independent Director)
8.	Smt. Sujitha Karnad	She has rich experience in the areas strategic HR Management and implementation of IT solutions.	
9.	Shri Sanjay Sinha	He is finance professional with more than 36 years of experience in the banking industry and trusteeship services industry.	

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 staying the order of Hon'ble NCLT dated February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Hon'ble Supreme Court of India by filling 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.

2.8 Disclosure of relationship between Directors inter-se

Shri Satyanarayan Nuwal*, Chairman and 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 related to any other Director of the Company.

Notes:

1. *Chairman and Non-Executive Director w.e.f May 3, 2022.
2. 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 staying the order of Hon'ble NCLT dated February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Hon'ble Supreme Court of India by filling 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.

2.9 Directors Shareholding as on March 31, 2022

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:

1. None of the Non-executive Independent Directors of the Company hold Equity Shares of the Company during the financial year ended March 31, 2022.
2. 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 staying the order of Hon'ble NCLT dated February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Hon'ble Supreme Court of India by filling 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.

2.10 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.

2.11 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.

3. 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

3.1 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. 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.

1. 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;
2. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
3. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
4. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
5. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
6. Evaluation of internal financial controls and risk management systems.
7. One-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and Cost Auditors and their remuneration.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Review of Business Risk Management Plan.
10. Review of Forex policy.
11. Review of Management Discussions and Analysis.
12. Review of Internal Audit Reports and significant related party transactions.
13. Reviewing the utilisation of loans and/or advances.
14. Review the functioning of the whistle blower mechanism;
15. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
16. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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 Dilip Patel attended the last Annual General Meeting held on August 31, 2021.

M/s D L & Associates and M/s Ekbote Deshmukh & Co. performed the Internal Audit of the Company for the FY 2021-22.

B. Meetings during the year

The Audit Committee met four times during the year under review. The Committee meetings were held on May 27, 2021, July 29, 2021, October 29, 2021 and January 29, 2022. The necessary quorum was present for all the meetings.

C. Composition and Attendance at Audit Committee as on March 31, 2022

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended
1.	Shri Dilip Patel	Chairman	Non-Executive Independent Director	4/4
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4
3.	Shri Amrendra Verma	Member	Non-Executive Independent Director	4/4
4.	Smt. Sujitha Karnad*	Member	Non-Executive Independent Director	1/1
5.	Shri Suresh Menon*	Member	Non-Executive Independent Director	1/1
6.	Shri Sunil Srivastav**	Member	Non-Executive Independent Director	2/2

The Company Secretary, Mrs. Khushboo A. Pasari acts as the Secretary to the Audit Committee.

Note:
1. *Appointed as a Member of the Audit Committee w.e.f January 29, 2022.
2. **Resigned from the Audit Committee w.e.f January 13, 2022.
3. Shri Suresh Menon stepped down from the Audit Committee w.e.f April 1,2022.

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.

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing 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.

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 three times during the year under review on May 26, 2021, July 29, 2021 and March 31, 2022.

The necessary quorum was present for all the meetings.

C. Composition and attendance of Nomination and Remuneration Committee as on March 31, 2022

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended
1.	Shri Amrendra Verma	Chairman	Non-Executive Independent Director	3/3
2.	Shri Dilip Patel	Member	Non-Executive Independent Director	3/3
3.	Smt. Sujitha Karnad	Member	Non-Executive Independent Director	2/2

The Company Secretary, Mrs. Khushboo A. Pasari acts as the Secretary to the Nomination and Remuneration Committee.

D. Remuneration Policy

1. Remuneration to Executive Directors

The appointment and remuneration of all the Executive Directors including Chairman and Managing Director 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 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 2021-22 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 Satyanarayan Nuwal* Chairman & Executive Director	4.20	7.50	0.60	As per policies and rules of the Company	0.00	Performance linked incentives is based on the performance of the Company and as may decided by the Board from time to time.	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	As per the rules of the Company	Nil
2.	Shri Manish Nuwal Managing Director & CEO	3.00	1.50	0.60		0.00				Nil
3.	Shri Suresh Menon Executive Director	0.60		0.02		0.00				Nil
4.	Shri Milind Deshmukh** Executive Director	0.28		0.01		0.00				Nil
5.	Shri Anil Kumar Jain***	0.25		-		0.00				

Notes:

1. * Chairman and Non-Executive Director w.e.f May 3, 2022.
2. ** Appointed w.e.f July 29, 2021.
3. ***Resigned w.e.f August 21, 2021.

F. Non-Executive Independent Directors Remuneration:

All the four Non-Executive Independent Directors are Independent Directors i.e. Independent of management and free from any business or other relationship that could materially influence their judgment. All the independent directors satisfy the criteria of independence as defined under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the FY 2021-22. None of the Non-Executive Independent Directors held any shares in 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 2021-22 is as below:

Remuneration paid to Non-Executive Independent Directors during the FY 2021-22

Sr. No.	Non-Executive Independent Directors	Sitting Fees (₹)
1.	Shri Dilip Patel	6,40,000.00
2.	Shri Amrendra Verma	8,60,000.00
3.	Shri Ajai Nigam	5,60,000.00
4.	Smt. Sujitha Karnad	5,80,000.00
5.	Shri Sunil Srivastav*	3,80,000.00

Notes:

1. *Resigned w.e.f January 13, 2022.
2. Shri Sanjay Sinha (DIN: 08253225) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f May 3, 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.

3.3 Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing 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.

A. The primary responsibilities of this Committee includes:

1. 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.
2. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
3. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
4. Perform such other functions as may be necessary or appropriate for the performance of its duties such as :-
   a. 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.
   b. Review of measures taken for effective exercise of voting rights by shareholders.
   c. 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.
   d. 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 five times during the year under review. The Committee meetings were held on May 26, 2021, July 29, 2021, October 28, 2021, December 07, 2021 and January 28, 2022. The necessary quorum was present during the meetings.

C. Composition and Attendance of Stakeholders Relationship Committee as on March 31, 2022

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Amrendra Verma	Chairman	Non-Executive Independent Director	5/5
2.	Shri Manish Nuwal	Member	Managing Director and CEO	5/5
3.	Shri Suresh Menon*	Member	Executive Director	3/3
4.	Shri Anil Kumar Jain**	Member	Executive Director	2/2

The Company Secretary, Mrs. Khushboo A. Pasari acts as the Secretary to the Stakeholders Relationship Committee.

Note:

1. * Appointed w.e.f July 29, 2021.
2. **Resigned w.e.f August 21, 2021.

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 2021-22	1*
Number of Complaints received during the FY 2021-22	1
Number of Complaints redressed during the FY 2021-22	1
Complaints pending at the end of the FY 2021-22	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:

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 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.

3.4 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.

A. Terms of Reference

i. 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

ii. To review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.

iii. 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.

iv. To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.

v. 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.

vi. To form and delegate authority to subcommittees when appropriate.

vii. To report regularly to the Board.

The Company has framed the CSR Policy which is available at its website: https://bit.ly/SolargroupCSRpolicy

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on May 26, 2021, July 29, 2021, October 28, 2021 and January 28, 2022.

The necessary quorum was present for all the meetings.

Composition and attendance of Corporate Social Responsibility Committee as on March 31, 2022

Sr. No.	Name of Director	Nature of Membership	Category	Number of meetings attended
1.	Shri Satyanarayan Nuwal*	Chairman	Chairman and Executive Director	4/4
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4
3.	Shri Ajai Nigam	Member	Non-Executive Independent Director	4/4

The Company Secretary Mrs. Khushboo Pasari acts as the Secretary to Corporate Social Responsibility Committee.

Note: * Chairman and Non-Executive Independent Director w.e.f May 3, 2022.

3.5 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.

The Members of the Committee are drawn from the Members of the Board and Senior Executive of the Company.

A. Terms of reference:

i. To formulate, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

ii. To enable visibility and oversight of Board on risk management system and material risk exposures of the company.

iii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iv. Providing a framework that enables future activities to take place in a consistent and controlled manner.

v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi. 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 two times during the year under review. The Committee meetings were held on May 26, 2021 and October 28, 2021.

The necessary quorum was present for all the meetings.

C. Composition and attendance of Risk Management Committee as on March 31, 2022

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	2/2
2.	Shri Suresh Menon	Member	Executive Director	2/2
3.	Shri Milind Deshmukh*	Member	Executive Director	1/1
4.	Shri Dilip Patel	Member	Non-Executive Independent Director	2/2
5.	Shri Amrendra Prasad Verma	Member	Non-Executive Independent Director	2/2
6.	Shri Moneesh Agrawal	Member	Joint Chief Financial officer	1/1
7.	Smt. Shalinee Mandhana	Member	Joint Chief Financial officer	1/1
8.	Shri Sanjay Singh	Member	Senior General Manager- Safety	1/1
9.	Shri Prashant Joshi*	Member	Senior General Manager- IT	Nil
10.	Shri Kedar Ambikar	Member	General Manager- Corporate HR	1/1
11.	Shri Anil Kumar Jain**	Member	Executive Director	1/1
12.	Shri Vivek Aparajit ***	Member	Senior General Manager- IT	1/1

The Company Secretary Mrs. Khushboo Pasari acts as the Secretary to Risk Management Committee.

Notes:

1. *Appointed as a Member w.e.f October 28, 2021.
2. ** Resigned from the Risk Management Committee w.e.f August 21, 2021.
3. *** Resigned from the Risk Management Committee w.e.f July 05, 2021.
4. Smt. Sujitha Karnad (DIN:07787485) Non Executive Independent Director of the Company was appointed as a member of Risk Management Committee w.e.f May 2, 2022.

3.4 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.

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 nineteen times during the year under review.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Executive Committee as on March 31, 2022

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended
1.	Shri Manish Satyanarayan Nuwal	Chairman	Managing Director & CEO	19/19
2.	Shri Suresh Menon	Member	Executive Director	19/19
3.	Shri Milind Deshmukh*	Member	Executive Director	10/14
4.	Shri Anil Kumar Jain**	Member	Executive Director	5/5

Mrs. Khushboo Pasari, Company Secretary of the Company, acts as a Secretary to the Committee.

Notes:

1. *Appointed as a Member of Executive Committee w.e.f August 5, 2021.
2. **Resigned from the Executive Committee w.e.f August 5, 2021.

4. 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.

5. THIRD LAYER GOVERNANCE BY SHAREHOLDERS

a) General Meetings

Information of last three Annual General Meetings (AGMs) held

Financial Year	Meeting	Venue	Date & Time	Special Resolution Passed
2020-2021	26th AGM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	August 31, 2021 At 11.30 A.M	No Special Resolution was proposed in 26th AGM of the Company.
2019-2020	25th AGM	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	September 16, 2020 at 11.30 A.M	Special Resolution was proposed for Re-appointment of Smt. Madhu Vij as a Non-Executive Independent Director and same was not passed by the Members of the Company.
2018-2019	24th AGM	Hotel Tuli Imperial ,Central Bazar, Ramdaspeth Nagpur 440010	July 31, 2019 at 1.00 P.M	Special Resolution was passed for Re-appointment of Shri Dilip Patel, Shri Ajai Nigam, Shri Amrendra Prasad Verma, Shri Anant Sagar Awasthi as a Non-Executive Independent Director.

b) **Whether Special resolutions were put through Postal Ballot last year? No**

c) **Are Special resolutions proposed to be put through Postal Ballot this Year? No**

d) During the year under review, no Extraordinary General Meeting of the members of the Company was convened.

6. MEANS OF COMMUNICATION

6.1 Financial Results

The quarterly Financial Results of the Company are published in accordance with the requirements of the Listing Regulations, 2015.

6.2 Newspapers wherein results are normally published:

Quarterly results are published in leading dailies such as, Business Standards (All Editions) and Loksatta (Nagpur Edition).

6.3 Any website, where displayed

The Financial Results of the Company are displayed on the Company's website i.e. www.solargroup.com

6.4 Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.solargroup.com

6.5 Earning conference calls and presentations to Institutional Investors / Analysts

During the FY 2021-22, presentations made to institutional investors or analysts by Solar Industries India Limited are displayed on the Company's website www.solargroup.com

6.6 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.

6.7 Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, 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 Reports and is displayed on the Company's website www.solargroup.com.

6.8 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

6.9 Designated Exclusive email-id for investor services

The Company has designated the following email-id exclusively for investor servicing. investor.relations@solargroup.com

6.10 NSE Electronic Application Processing System (NEAPS) and NSE Digital Exchange Platform

The NEAPS and NSE Digital Exchange Platform are web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS and NSE Digital Exchange Platform.

6.11 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, among others are also filed electronically on the Listing Centre.

6.12 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.

6.13 Reminder to Investors

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend and transfer of shares thereto, email registration are regularly communicated and dispatched.

7. GENERAL SHAREHOLDER INFORMATION AND DISCLOSURES

Date, Time and Venue of the AGM	Friday, the 10th day of June, 2022 at 11.30 a.m. through video conferencing ("VC")/Other Audio visual means ("OAVM")
Financial Calendar	April 1, 2022 to March 31, 2023
1. For the quarter ending June 30, 2022	On or before August 14, 2022
2. For the quarter and half year ending September 30, 2022	On or before November 14, 2022
3. For the quarter and nine months ending December 31, 2022	On or before February 14, 2023
4. For the fourth quarter and financial year ending March 31, 2023	On or before May 30, 2023
5. Annual General meeting for the Year ending March 31, 2023	On or before September, 2023
Trading window closure for financial results	From the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
Date of Book Closure	Tuesday, 31st day of May, 2022 to Friday, 10th day of June, 2022 (both days inclusive)
Dividend and Dividend Payment Date	₹ 7.50 per equity share for FY 2021-22. The Final dividend will be paid on Saturday, June 18, 2022, if approved by the Shareholders at the ensuing Annual General Meeting of the Company. 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: 1. Name: BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 2. Name: National Stock Exchange of India Limited Address: Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Stock Code	532725 on BSE Limited SOLARINDS EQ on National Stock Exchange of India Limited
ISIN Number for NSDL & CDSL	INE343H01029
Corporate Identity Number (CIN)	L74999MH1995PLC085878

7.1 Market Price Data

High, Low (based on daily closing prices) during each month in the FY 2021-22 on NSE and BSE:

MARKET PRICE DATA OF BSE & NSE STOCK EXCHANGES FY 2021-22								
	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	SHARE PRICE		SENSEX POINTS		SHARE PRICE		S & P CNX NIFTY POINTS	
MONTH	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
April 2021	1418.00	1205.55	50375.77	47204.50	1384.95	1212.00	15044.35	14151.40
May 2021	1600.00	1198.45	52013.22	48028.07	1599.00	1200.00	15606.35	14416.25
June 2021	1685.50	1450.50	53126.73	51450.58	1679.00	1453.35	15915.65	15450.90
July 2021	1728.95	1550.00	53290.81	51802.73	1730.00	1550.00	15962.25	15513.45
August 2021	1798.00	1621.10	57625.26	52804.08	1798.50	1624.05	17153.50	15834.65
September 2021	2212.80	1702.65	60412.32	57263.90	2214.05	1700.70	17947.65	17055.05
October 2021	2826.30	2097.55	62245.43	58551.14	2847.90	2080.65	18604.45	17452.90
November 2021	2932.95	2252.95	61036.56	56382.93	2938.00	2260.00	18210.15	16782.40
December 2021	2910.40	2271.40	59203.37	55132.68	2919.00	2271.35	17639.50	16410.20
January 2022	2599.40	2166.95	61475.15	56409.63	2597.70	2163.55	18350.95	16836.80
February 2022	2416.50	2160.05	59618.51	54383.20	2415.00	2171.35	17794.60	16203.25
March 2022	2845.00	2200.00	58890.92	52260.82	2836.00	2227.25	17559.80	15671.45

7.2 There was no suspension of trading in the Securities of the Company during the year under review.

7.3 Share Transfer System

Share transfer and related operations for the Company, is conducted by M/s. Link Intime India Pvt. Ltd which is registered with SEBI as a Category 1 registrar. Share transfer is normally affected within maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

7.4 Distribution of shares and shareholding pattern as on March 31, 2022

Shareholding of nominal value (₹)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1 - 500	28218	1344733	96.4619
501 – 1000	443	328731	1.5144
1001 – 2000	225	323371	0.7692
2001 – 3000	92	233607	0.3145
3001 – 4000	36	126808	0.1231
4001 – 5000	47	215067	0.1607
5001 – 10000	75	553055	0.2564
10001-- *****	117	87364683	0.4000
TOTAL	29253	90490055	100.00

7.5 Shareholding Pattern (Category wise) as on March 31, 2022

Sr. No.	Shareholding of nominal value (₹)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1	Promoters	7	66191271	73.1476
2	Resident Individuals(public)	27314	3540554	3.9126
3	Hindu Undivided Family	606	316895	0.3502
4	Mutual Funds	41	13577967	15.0049
5	Clearing Members	51	18732	0.0207
6	Other Bodies Corporate	303	854289	0.9441
7	Investor Education And Protection Fund	1	1595	0.0018
8	Non Resident Indians	504	46358	0.0512
9	Non-Resident Indians (Non Repatriable)	300	91344	0.1009
10	Non Nationalised Banks	1	25	0.0000
11	Alternate Invest Fund - Iii	1	141729	0.1566
12	Body Corporate - Ltd Liability Partnership	33	24707	0.0273
13	Foreign Portfolio Investor (Corporate)	90	5684167	6.2815
14	Insurance Companies	1	422	0.0005
	TOTAL	29253	90490055	100.00

7.6 Address for Correspondence

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Khushboo Pasari Compliance Officer/Company Secretary Tel: (0712) 6634555 Fax: (0712) 2560202 Email:investor.relations@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur-440023, Maharashtra
For Institutional Investors and Corporate Communication related matters	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, Maharashtra

7.7 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.

7.8 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, 2022, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

7.9 Disclosure Related to Commodity Price Risks and Commodity Hedging Activities

During the FY 2021-22, 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 32 to the Annual Accounts of the Company.

7.10 Plant Locations as on March 31, 2022

Sr. No.	Unit	Address	City
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 to 37, Udyog Deep Industrial Area, Dist.: Singrauli, Waidhan - 486 886, Madhya Pradesh	Waidhan,Madhya Pradesh
3	Solar Industries India Limited, Warur	Survey No. 101, Warur Road, Dist.:Chandrapur, Tehsil: Rajura - 442 905,Maharashtra	Chandrapur, Maharashtra.
4	Solar Industries India Limited, Korba	Kh. No. 5, Tah. Katghora, Dist.: Korba, Village: Mudapur (Hardi Bazar) - 495 446, Chhattisgarh	Korba, Chattisgarh.
5	Solar Industries India Limited, Ramgarh	Plot No. 967 & 1156, Ramgarh Cantt, Dist.: Hazaribagh, Village: Manua - 829120, Jharkhand	Hazribagh, Jharkhand.
6	Solar Industries India Limited, Tadali	Plot No. B-11, MIDC Growth Centre, Dist.: Chandrapur, Tadali - 442 406, Maharashtra	Tadali,Distt- Chandrapur Maharashtra
7	Solar Industries India Limited, Dhanbad	Plot No. C-32 (P) & C-33 (P), Kandra Industrial Area, Bhetia, Dist.: Dhanbad, Govindur - 828 109, Jharkhand,	Dhanbad, Jharkhand.
8	Solar Industries India Limited, Asansol	Plot No. 2/848 & 3, P.S. Asansol North, Tehsil Asansol, Dist.: Burdwan, Mouza Barapukuria - 700 040, West Bengal	Burdwan,West Bengal
9	Solar Industries India Limited, Talcher	IDCO Plot No. 27, Revenue Plot No. 48(P), Village: Ghanta Pada, Talcher, Dist.: Angul - 759 107, Odisha	Angul, Odisha.
10	Solar Industries India Limited, Manendragarh	Kh. No. 323/2, PH No. 30, Post & Tehsil Manendragarh, Dist.: Korea, Mouza Chainpur - 497 442, Chhattisgarh	Baikunthpur Korea, Chattisgarh.
11	Solar Industries India Limited, Karimnagar	Survey No. 363, Godavari Khani, Dist.: Karimnagar, Village: Musthyala - 505 209, Telangana	Karimnagar, Telangana
12	Solar Industries India Limited, Jharsuguda	Plot No. 389 to 392, Village Beherpali, Post Badmal, Tehsil Jharsuguda, Tehsil & Dist.: Jharsuguda - 768 201, Odisha	Jharsuguda, Odisha

Sr. No.	Unit	Address	City
13	Solar Industries India Limited, Waidhan Unit-2	Plot No. 975/2 (Waidhan Unit 2), Village:Ganiyari, Post Waidhan, Tehsil & Dist.:Singrauli - 486 886, Madhya Pradesh.	Dist. Singrauli (M.P)
14	Solar Industries India Limited, Bhilwara	1459 & 1460, Tehsil: Hurda, Dist.: Bhilwara, Village: Rupaheli - 311 030, Rajasthan.	Tahesil Hurda, Dist Bhilwara (Raj.)
15	Solar Industries India Limited, Kota	Khasra No 132 & 137, Village Dingsi, Post - Suket, Tahsil Ramganj Mandi, District Kota - 326530 (Rajasthan).	Dist- Kota (Rajasthan)
16	Solar Industries India Limited, Barbil	Khasra No. 118/22, Plot No. 1048, 1046,1265, 1047, 1049, 1035, 1134, 1046/1264 & 1064, Village Naibaga, Tehsil Jhampura, Dist. Keonjhar - 758 038, Odisha, India	Dist- Keonjhar (OR)- 758038
17	Economic Explosives Limited	Village – Sawanga	Teh and Dist: Nagpur
18	Economic Explosives Limited, Nimjee	Kh – 40/1 & 40/2 , Khapri, PO – MIDC,Gondkhari, Kamleshwar Road	
19	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh - 486886.	Distt – Singrauli (MP)
20	Emul Tek Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District- Raigarh, Chhattisgarh. 496001	Teh & Distt- Raigarh (CG)
21	Emul Tek Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli. M.P 486886	Distt – Singrauli (MP)
22	Emul Tek Private Limited	Survey No. 624/3, Plot no. 14, Town/ Village - Ratija, Korba, Chhattisgarh. Pincode-495449	Teh & Distt- Korba (CG)
23	Solar Industries India Limited, Kotputli (Under Process)	Kh.No. 200,201/1034,201 & 218 Village Kujota, Tahsil - Kotputli, Dist. - Jaipur, Rajasthan	Kotputli
24	Solar Industries India Limited, Bhadesar (Under Process)	Survey No 2683,2684, & 2685 Village - Bhadesar - 312602 Tahsil - Bhadsora Dist. Chittorgarh - Rajasthan	Bhadsora
25	Solar Industries India Limited, Satna (Under Process)	Survey No 153/1, Patwari Halka no 32, Village – Bagha, Tahsil – Rampur (Bhaghelan) Dist. Satna - MP	Satna, MP
26	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
27	Solar Industries India Limited, Pallewada.	Survey No 187/A/A & 188/ A/B Village Pallewada Dist. Khammam, Pallewada - 507 302, Telangana.	Pallewada, Telangana
28	Emul Tek Private Limited, Warur (Under Process)	Survey No 101 (Part Land, Village – Warur Road, Tahsil – Rajura, Dist. Chandrapur - Maharashtra	Chandrapur Maharashtra
29	Solar Industries India Limited, NMDC, Bailadila Dantewada	Plot No 626 / 1861 Deposit - 14 Village Kirandul, Distt.Dakshin Bastar, Dantewada- 494 556, Chhattisgarh	Bailadila Dantewada C.G

Note: During the FY 2021-22 Blastec (India) Private Limited (Transferor and Wholly owned subsidiary of Solar Industries India Limited "the Company") merged with Emul Tek Private Limited (Transferee and Wholly owned subsidiary of the Company)

7.11 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	CRISIL AA +/Stable	Reaffirmed	CRISIL Ratings Limited
2	Short Term Borrowings	CRISIL A1+	Reaffirmed	CRISIL Ratings Limited
3	Commercial Paper	CRISIL A1+	Reaffirmed	CRISIL Ratings Limited
		ICRA A1+	Reaffirmed	ICRA Limited

7.12 Major 10 Shareholders as on March 31, 2022 (other than promoters)

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1	SBI Focused Equity Fund	6375788	7.0458
2	Kotak Emerging Equity Scheme	4465967	4.9353
3	HDFC Trustee Company Ltd - A/C HDFC MID - Capopportunities Fund	1521500	1.6814
4	Fidelity Emerging Markets Fund	1377888	1.5227
5	Fidelity Advisor Series VIII : Fidelity Advisor Focused Emerging Markets Fund	727400	0.8038
6	DSP Flexi Cap Fund	626917	0.6928
7	Fidelity Rutland Square Trust II : Strategic Advisers Fidelity Emerging Markets Fund As Managed By Fiam LLC	521560	0.5764
8	Vicco Products Bombay Pvt Ltd	421389	0.4657
9	Variable Insurance Products Fund II Emerging Markets Portfolio	414907	0.4585
10	NJ Balanced Advantage Fund	384252	0.4246

7.13 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 Tuesday, the 7th day of June, 2022 (10.00 a.m. IST) and end on Thursday, the 9th day of June, 2022 (5.00 p.m. IST).The Board has appointed Shri Tushar Pahade partner at M/s. T S Pahade & Associates, Practicing Company Secretaries as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice calling 27th Annual General Meeting and also placed on the website of the Company.

7.14 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 2021-22.

The Company will be transferring the Final Dividend and corresponding shares for the Financial Year 2014-15 and the Interim Dividend and corresponding shares for the Financial Year 2015-16 on or before October 09, 2022 and November 29, 2022 respectively. 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.

7.15 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 2014-15 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 2014-15 to 2020-21	Amount lying in respective Unpaid Dividend Accounts	Yes	Link Intime India Pvt. Limited	Application to Link Intime India Pvt. Limited along with KYC documents

7.16 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, 2022 (in Rupees)	Last Date for claiming Unpaid Dividend
2014-15 (Final)	September 09, 2015	40,046	September 09,2022
2015-2016 (First Interim)	October 29, 2015	22,572	October 29, 2022
2015-2016 (Second Interim)	March 04, 2016	48,727	March 04, 2023
2016-17 (Interim)	February 14, 2017	52,684	February 14, 2024
2016-17 (Final)	August 21, 2017	60,963	August 21, 2024
2017-18(Final)	July 31, 2018	84,558	July 31, 2025
2018-19 (Final)	July 31, 2019	95,298	July 31, 2026
2019-20 (Final)	September 16, 2020	58,374	September 16, 2027
2020-21 (Final)	August 31, 2021	75,326	August 31, 2028

8. MONITORING GOVERNANCE OF SUBSIDIARY

As on March 31, 2022, the Company has 6 wholly owned subsidiaries and 18 fellow subsidiaries. Each subsidiary is managed by its respective Board of Directors.

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant development of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.

A statement containing all significant transactions and arrangements entered with subsidiary companies is placed before the Company's Board and Audit Committee.

9. FOURTH LAYER GOVERNANCE THROUGH MANAGEMENT PROCESS

9.1 Other Disclosure:

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 2021-22 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. **Legal Compliance Management Tool**

The "Compliance Module" has been implemented, across the organization, which is devised to ensure compliance with all applicable laws that impact the Company's business.

The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations and Corporate Office.

c. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

d. **Whistle Blower Policy/Vigil Mechanism**

The Company has a Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is posted on the website of the Company at the link https://bit.ly/SolargroupVM

e. In terms of Regulation 16 (1) (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: https://bit.ly/SolargroupDMSpolicy

f. **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.

g. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2022.

h. There was no suspension of trading in the Securities of the Company during the year under review.

i. A certificate from Practicing 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 is enclosed to this report.

j. There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

k. Total fees for all services paid by the listed entity to the statutory auditor.

Details relating to fees paid to the Statutory Auditors are given in Note 25(a) to the Standalone Financial Statements.

l. Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

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

m. 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.

n. 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

o. 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.

p. 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 organization 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/SolargroupPDpolicy

q. 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.

r. Proceeds from Public Issues, Rights Issue, Preferential Issues, etc.

During the period under review, the Company has not made any public issues, rights issue, and preferential issues.

s. Compliance on Matters Related to Capital Markets

We have complied with all the requirements of regulatory authorities. During the last three years, there was no instance of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the Capital Markets.

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 (UPSI)' in compliance with the PIT Regulations.

The code is posted on the website of the Company at the link https://reports.solargroup.com/COPAPF.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	Brief Description of Regulation	Compliance Status (Yes / No/ NA)
1.	Board of Directors	17 (1)	Board Composition	Yes
		17 (2)	Meeting of Board of Directors	Yes
		17 (3)	Review of Compliance Reports	Yes
		17 (4)	Plans for orderly succession for appointments	Yes as and when applicable
		17 (5)	Code of Conduct	Yes
		17 (6)	Fees / Compensation	Yes
		17 (7)	Minimum Information to be placed before Board	Yes
		17 (8)	Compliance Certificate	Yes
		17 (9)	Risk Assessment & Management	Yes
		17 (10)	Performance evaluation	Yes
2.	Audit Committee	18 (1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18 (2)	Meeting of Audit Committee	Yes
		18(3)	Role of Committee and Review of information by the Committee	Yes
3.	Nomination and Remuneration Committee	19 (1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of Committee	Yes
4.	Stakeholders Relationship Committee	20 (1) ,(2) &(3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of Committee	Yes
5.	Risk Management Committee	21 (1), (2)& (3)	Composition and role of risk management committee	Yes
		21(4)	Role of the Committee	Yes
6.	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7.	Related Party Transaction	23 (1),(2),(3) (5), (6), (7), (8) & (9)	Policy for Related Party Transactions	Yes
		23 (2) &(3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of Transaction by the Committee	Yes
		23 (4)	Approval for material related party transactions	N.A.

Sr. No.	Particulars	Regulation	Brief Description of Regulation	Compliance Status (Yes / No/ NA)
8.	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	Yes
		24 (2), (3), (4), (5) & (6), 24(A)	Other corporate Governance requirements with respect to subsidiary of listed entity	Yes
9.	Obligations with respect to Independent Directors	25 (1) & (2)	Maximum Directorship & Tenure	Yes
		25 (3)	Meeting of Independent Directors	Yes
		25 (4)	Review of Performance by the Independent Directors	Yes
		25 (7)	Familiarization of Independent Directors	Yes
		25 (8)	Declaration of Independence	Yes
10.	Obligations with respect to Directors and Senior Management	26 (1)&(2)	Memberships in committees	Yes
		26 (3)	Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel	Yes
		26 (5)	Policy with respect to Obligations of Directors and Senior Management	Yes
11.	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12.	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

9.2 Discretionary Requirements under Regulation 27 of Listing Regulation

a. **The Board - Chairman's Office and tenure of Independent Directors**

As on March 31, 2022, the Chairman of SOLAR is an Executive Director and hence this clause is not applicable.

b. **Shareholders rights**

As the Company's quarterly and half yearly financial results are published in the English newspaper (Business Standard) having a 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 Auditors of the Company report`s to the Audit Committee.

10. CEO/ CFO CERTIFICATION

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2022.The said certificate is attached in this Annual Report.

11. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to the Corporate Governance laid down the certificate annexed to the report on Corporate Governance Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2021-22, 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, 2022.

For Solar Industries India Limited

Place: Nagpur
Date: May 3, 2022

Manish Nuwal
Managing Director &
Chief Executive Officer
DIN: 00164388

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

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, 2022 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 2021-22 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

For Solar Industries India Limited

Shalinee Mandhana **Moneesh Agrawal**
Joint Chief Financial Officers

Place: Nagpur
Date: May 3, 2022

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, 2022, 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
Akshay Rathi & Associates
Chartered Accountants

Akshay Rathi
Proprietor
M.No. 161910
Firm Registration No. 139703W
UDIN: 22161910AIHZIN8886

Place: Nagpur
Date: May 3, 2022

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 and Associates Practicing 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, 2022.

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, 2022:

Sr. No.	Name of the Director	Designation	DIN
1.	Shri Satyanarayan Nuwal	Chairman & Executive Director	00713547
2.	Shri Manish Nuwal	Managing Director & CEO	00164388
3.	Shri Suresh Menon	Executive Director	07104090
4.	Shri Milind Deshmukh	Executive Director	09256690
5.	Shri Dilip Patel	Non-Executive Independent Director	00013150
6.	Shri Amrendra Verma	Non-Executive Independent Director	00236108
7.	Shri Ajai Nigam	Non-Executive Independent Director	02820173
8.	Smt. Sujitha Karnad	Non-Executive Independent Woman Director	07787485

For and on behalf of
T.S. PAHADE & ASSOCIATES

Tushar S. Pahade
FCS 7784
CP 8576
UDIN- F007784D000087094

Place: Nagpur
Date: April 12, 2022

Business Responsibility Report

Our Value Building Journey:

The concept of sustainability is incorporated into the core of our business and has been expanded to encompass our aspirations and responsibilities to the society and to the environment. The Company endeavors to drive sustainability through initiatives across the units of operation and community because it's a journey without milestones.

SECTION A

General Information about the Company

Sr. No.	Questions	Company Information
1.	**Corporate Identity Number(CIN) of the Company**	L74999MH1995PLC085878
2.	**Name of the Company**	Solar Industries India Limited
3.	**Registered address**	"Solar" House,14, Kachimet, Amravati Road, Nagpur – 440023.
4.	**Website**	**www.solargroup.com**
5.	**E-mail id**	**brr@solargroup.com**
6.	**Financial Year reported**	April 1, 2021 to March 31, 2022
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	Manufacturing of Industrial Explosives and Initiating Systems (20292)
8.	**List three key products/ services that the Company manufactures/ provides (as in balance sheet**	• Industrial Explosives (Bulk + Large & Small Dia. Explosives) • Detonating Fuse • Electric and Non-Electric Detonators Please refer to Company's website **(www.solargroup.com)** for complete details of the products.
9.	**Total number of locations where business activity is undertaken by the Company**	i) International Locations: Solar through its subsidiaries has operations in Zambia, Nigeria, Turkey, South Africa, Ghana Tanzania. ii) National Locations: Solar's domestic manufacturing units are located in the 9 states viz. Maharashtra, Chhattisgarh, Madhya Pradesh, Jharkhand, Odisha, Telangana, Tamil Nadu, Rajasthan and West Bengal.
10.	**Markets served by the Company**	Solar's products have a national presence and several products are exported.

SECTION B

Financial Details of the Company

Sr. No.	Questions	Company Information
1.	**Paid up Capital as on 31.03.2022**	90490055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
2.	**Total Turnover (INR) (including other income)**	₹ 2528.3 Crores
3.	**Total profit after taxes (INR)**	₹ 261.52 Crores
4.	**Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax**	The Company's total spending for the FY 2021-22 is ₹ 5.50 Crores which is 2.10 % of Profit after tax.
5.	**Activities in which in point 4 above has been incurred**	The initiatives undertaken by the Company are in line with the eligible areas as listed under Schedule – VII of the Companies Act, 2013. Please refer CSR report annexed to the Board's Report.

SECTION C

Other Details

i. Does the Company have any Subsidiary Company/ Companies?

The Company has 6 (Six) wholly owned Subsidiaries and 18 (Eighteen) Step down subsidiaries as on the date of report.

ii. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company (s):

Yes. One of its subsidiary Company Economic Explosives Limited participates in BR initiatives along with Solar Industries India Limited.

iii. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

The Company does not mandate its suppliers/ distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

SECTION D

BR Information

i. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

1	DIN	00164388
2	Name	Shri Manish Nuwal
3	Designation	Managing Director and Chief Executive Officer

b) Details of the BR head:

Sr. No.	Particulars	Details
1	Name	Mrs. Khushboo Pasari
2	Designation	Company Secretary & Compliance Officer
3	Telephone Number	(+91) 0712-6634556
4	E-mail Id.	cs@solargroup.com brr@solargroup.com

BUSINESS RESPONSIBILITY POLICIES AND GUIDELINES:

The Company has aligned its policies and guidelines with the principles enunciated under the Business Responsibility Reporting framework on social, environmental and economic responsibilities of business. The context of the BR principles is embodied in the Policies and Code of Conduct adopted by the Company, implementation of which is ensured through well-established systems and processes.

Company has made a BRR Manual briefing on each principle of NVG (National Voluntary Guidelines).

The manual has the policies framed under each principle and the details of the activities which the Company conducts or can conduct as its Business Responsibility initiatives.

ii. Principle-wise (as per NVGs) BR policy/policies:

Details of compliance (Reply in Y - Yes/ N- No)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with management of the Company and are approved by the Board.								
3.	Does the policy confirm to any national /international standards? If yes, specify?	(The policies are based on NVG, in addition to conformance to the spirit of international standards like ISO 14001:2015 and ISO 45001:2018)								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes all the Policies have been approved by the Board & have been signed by the Managing Director of the Company.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	Yes, the policies have been communicated to all the internal stakeholders. For external stakeholders all the policies are available at Company's website at: www.solargroup.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to Solar's internal and external stakeholders. The BR Policies are available on the website of the Company.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Sustainability Compliance Review Committee (SCRC) of the Corporate Social Responsibility is responsible for the implementation of Solar's BRR policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievance or feedback can be sent to brr@solargroup.com								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The Company internally carried out evaluation of the working of BRR cum sustainability policies by its Subcommittee – Sustainability Compliance & Review Committee (SCRC).								

Solar 'S policies aligned with Business Responsibility Principles:

Principle	Business Responsibility Principles	Relevant Policies	Link
1.	Ethics, Transparency and Accountability	a. Code of Conduct, b. Whistle Blower Policy, c. Anti-Bribery Policy	https://bit.ly/solargroupCOC https://reports.solargroup.com/WBP.pdf https://reports.solargroup.com/POACAB.pdf
2.	Products Life-cycle Sustainability	Policy on Product responsibility and Life-cycle Sustainability	https://reports.solargroup.com/POLCS.pdf
3.	Employees' Well-Being	Policy on Employee Well-Being.	https://reports.solargroup.com/POEW.pdf
4.	Stakeholder Engagement	Policy on Stakeholder Engagement	https://reports.solargroup.com/POSE.pdf
5.	Human Rights	Policy on Human Rights	https://reports.solargroup.com/POHR.pdf
6.	Environment	Policy on Environment, Health and Safety	https://reports.solargroup.com/POEHAS.pdf
7.	Policy advocacy	Policy on Responsible advocacy	https://reports.solargroup.com/PORA.pdf
8.	Inclusive Growth and Equitable Development	Policy on Corporate Social Responsibility	https://bit.ly/SolargroupCSRpolicy
9.	Customer value	Policy on Responsibility towards Customers and their Engagement	https://reports.solargroup.com/CSSAM.pdf

iii. Governance related to Business Responsibility (BR)

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/ programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at www.solargroup.com.

SECTION E

Principle - Wise Performance

Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

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 conflicts of interest between personal and professional relationships, free from fraud and deception.

Ethics and integrity is at the very heart of the work culture at Solar. Our philosophy is to conduct the business with high ethical standards in our dealings with all the 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.

We follow a "Code of Conduct" with the underlying philosophy of conducting our business in an ethical manner as enshrined by our values and beliefs. This helps in creating a work environment that is conducive to our employees and our associates. The Code sets out the guidelines to be followed by each member of the solar group.

Our Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices.

The Solar's Code of Conduct as well as the Vigil Mechanism and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organisation.

Solar is committed to conduct business with integrity and ensuring adherence to all laws and regulations and achieving highest standards of Corporate Governance. The Company has set the highest standards in transparency to not just maintain but also grow the confidence of all its stakeholders.

Information with reference to BRR framework:

1) Does the policy relating to ethics, bribery and corruption cover only the Company ? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

i. The Company is committed to adhere to the good standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', and the 'Policy on Anti-Bribery' which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company.

ii. The Company has strict code of conduct to prevent insider trading and ensure integrity. There are standard communications given to all the insiders before the Board Meeting that communicates the prohibited time period when they should not trade in the Company's securities.

iii. The Company has a Whistle Blower Policy which is fundamental to the Company's professional integrity.

2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints relating to ethics, bribery and corruption were received during the FY 2021-22.

PRINCIPLE 2 - PRODUCT LIFE CYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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.

SIIL's endeavour towards responsible product stewardship and producing sustainable products which enhancing the safety in operation and minimum damage to environment. The Company objectives to make its products safer and environment friendly.

Information with reference to BRR framework:

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a) **Super MaxX:** This is the new generation packaged emulsion explosives products. It is high strength large diameter emulsion explosive suitable for hard rock strata. The benefits of 'Super MaxX' in the mining activities are:

      i. Higher strength products
      ii. Low blasting cost due to modified cartridge
      iii. controlled emissions of blast fumes

   b) **Solar Prime MaxX:** This is the new generation packaged slurry explosives products. It is high strength large diameter slurry explosive suitable for hard rock strata. The benefits of 'Solar Prime MaxX' in the mining activities are:

      i. Higher strength products
      ii. Low blasting cost due to modified cartridge
      iii. controlled emissions of blast fumes

   (c) **Solar Cast -P:** The modified designed Cast Booster (250 g and 400 g) developed to be sensitive with 5 g Detonating cord. The benefits of Solar cast-P are as follows:

      i. Higher export potential
      ii. Higher product reliability
      iii. More environmentally friendly

   d) **Solar Cast -P:** Solar Cast -P (100 g) higher length shell developed which will be enabled to be used with longer length non-electric detonators. The benefits of Solar cast-P are as follows:

      i. Higher export potential
      ii. Higher product reliability

   (e) **Solar double det:** 'Solar double det' is a non-electric detonator and used for initiating detonator sensitive explosives. The recompenses of non-electric detonator over the conventional non-electric detonator STL & DTH separately used in the mining industry are:

      i. improved blasting results owing to double detonator combined with STL & DTH
      ii. customer friendly advanced precision delay timing of detonator
      iii. decrease in air blast/ground vibration
      iv. safe use in extraneous electric environments
      v. possibility of limiting the number of detonators per shot

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Energy optimization is done in Air Compressors by installing Variable Frequency Drive (VFD) & put up its operation in Pressure control loop, i.e., varying the speed to maintain required air pressure & thus optimizing energy consumption. This adoption saved approx. 20% energy in each compressor.

   Reduction in energy consumption by replacing old ceiling fans with Brushless DC (BLDC) fans, saved approx. 40% in each fan.

   Reduction in energy consumption by replacing old Borewell pumps with high-efficient (star rated as per BEE) pumps, saved approx. 12% in one unit, further will be in continuation.

   Solar power of capacity 120kW is commissioned, generating approx. 500 units/day & saved ₹ 5.5 Lacks with reduction of 51MT of CO2 emission during this FY.

   We have installed electronic water meters at the borewells, and at the plants for online recording of water consumption. Company is complying with zero liquid discharge (ZLD) plants and all the ETP treated water is recycled and STP water used for gardening. The condensate water recovered from the steam line traps and MEES distillate water is transferred back to the boiler for reuse. This has resulting substantial reduction of water consumption and heat energy. Moreover, availability of rain waters in the check dam and water harvesting ponds saves on water treatment and saving in energy cost of ground water abstraction viz-a-viz conservation of natural resources.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainability? Also, provide details thereof, in about 50 words or so.**

Company epitomises contribution to the Energy management and bearable sourcing to the Energy management, Environment responsibility, Occupational Health & safety, and Social networking. The Company has been implemented environmental management system ISO 14001:2015 and committed for reducing environmental impact of our manufacturing operations through waste management and renewal energy initiatives.

Industry has enhanced safety culture by reinforcing safety leadership for achieving target Zero harm to people, asset, and environment. Company has been implemented occupation health and safety management system ISO 45001:2018.

The products are designed in such a manner that after use there should not be any adverse effect on environment. Products are inveterate from their environmental aspects by the authorized scientific laboratories and only after statutory approvals the products are used in the mines.

Company has incorporated many of the materials handling equipment's to reduce the load of work force and utilize their energy in the development of the process and productivity.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company encourages the procurement of goods and services from local and small producers surrounding its plant locations.

The external providers and contractors, who are engaged in operation and other workers of plants are mostly from the nearby villages. Some of the vendors specifically developed their process to ensemble our requirements and used in the process specially packaging materials. SIIL allocate lots of workings to the local vendors for its developments and have better experience in getting in time supply.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

We have policy to minimize waste and implemented mechanism to segregate explosives and non-explosives wastes from the processes. The hazardous wastes are disposed at the authorized landfill site and all other wastes are sent to the recyclers. The spent nitric acid is used as raw material in other manufacturing process viz. calcium nitrate and sodium nitrate manufacturing and dilutes acetic acid concentrated in distillation column and after concentration same is reused in the process. The ETP treated wastewater is fully recycled within the industry processes. The old non serviceable battery sent back to the supplier. Electronic wastes and Plastic wastes are sent to authorized recyclers.

PRINCIPLE 3 - EMPLOYEES' WELL-BEING

Businesses should promote the well-being of all employees

Employee well-being and maintaining the work-life balance requirements has been of paramount significance to solar. Policy on '**Employee Well-Being**', which also covers '**Diversity and Equal Opportunity**', '**Freedom of Association**', among others, guide the management approach on specific elements of the Company's work practices. The Company is an equal opportunity employer and makes employment decisions based on merit and business needs.

Information with reference to BRR framework:

Details as at the end of Financial Year:-

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees and workers (including differently abled)**					
	Employees					
1	Permanent Employees (A)	1272	1195	94%	77	6%
2	Other than Permanent Employees (B)	0	0	0	0	0
3	Total Employees (A+B)	1272	1195	94%	77	6%
	Workers					
4	Permanent Employees (C)	1891	1858	98%	33	2%
5	Other than Permanent Employees (D)	4513	3531	78%	982	22%

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
6	Total Employees (C+D)	6404	5389	84%	1015	16%
b.	**Differently abled employees and workers**					
	Employees					
7	Permanent Employees (E)	0	0	0	0	0
8	Other than Permanent Employees (F)	0	0	0	0	0
9	Total Employees (E+F)	0	0	0	0	0
	Workers					
10	Permanent Employees (G)	5	5	100%	0	0
11	Other than Permanent Employees (H)	4	4	100%	0	0
12	Total Employees (G+H)	9	9	100%	0	0

1. **Do you have any Employees association that is recognized by the management**

   There is one employees association that is recognized by the management as well as Industrial Court. Solar respects the rights of employees to free Association and representation.

2. **What percentage of your permanent employees is members of this recognized employee association?**

   Almost, all the workers are members of the recognised employee associations (unions).

3. **Details of complaints filed during the financial year are as follows:**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

4. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   Safety being one of the core values for which the Company is committed to. Company's management believes that providing safe work place is their key responsibility. We make sure that our premises, operations and systems are safe. The Company's safety policies cover all the manufacturing locations, R & D, magazines and office buildings.

   The Company has been accredited ISO 14001:2015 and ISO 45001:2018 by DNV-GL and audits have been conducted internally by trained lead auditor as well as by external auditors of certification agency. During FY 2021-22 the Company provided safety & skill up-gradation training to almost 94% of the concerned employees including casual employees, employees with disabilities those are exposed to hazardous manufacturing process. Employee training and development being an essential element of Solar's people strategy, Solar imparted 90548 hours of training in its workplace.

PRINCIPLE 4 - STAKEHOLDERS ENGAGEMENT

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Stakeholder engagement helps your Company in decision making, in delivering Solar commitments, in strengthening relationships and succeeding in the business.

Information with reference to BRR framework:

1. **Has the Company mapped its internal and external stakeholders?**

   We have mapped our internal and external stakeholders in a structured way and carry out engagements with them on a regular and ongoing basis. Regular engagement ,transparency, honesty and integrity in action, we believe, builds trust and trust nurtures relationships.

Our key stakeholders are Employees, Shareholders & Investors, Business Partners, Consumers and Community.

Sr. No.	Stakeholder	Nature	Medium of Engagement
1	Government and regulatory authorities	External	• Industry Bodies/Forums
2	Employees	Internal	• Sharing information via the Intranet, emails and other methods • Conferences with employee groups • Meetings, Training
3	Customers	External	• Customer Satisfaction Feedbacks, Survey etc.
4	Suppliers	External	• Dialogue through day-to-day business activities • Conferences and meetings • Plant visits
5	Society and Local Community	External	• Visits, programs, camps
6	Investors and shareholders	External	• Annual General Meeting • Investor meets and Annual report • Financial Results briefings

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes, Solar has taken the path of inclusive development to address the societal issues and engage the disadvantaged, vulnerable and marginalized stakeholders.

   At Solar we engage the people as and where possible. We have already engaged some employees in our Company who are handicapped. We are planning to engage these type of people in society in future also.

PRINCIPLE 5:- HUMAN RIGHTS

Businesses should respect and promote human rights

Respecting human rights is fundamental to our values, policies and business strategy. We equally focus on building awareness around promotion of human rights. The organisation maintains engaging and transparent relations with all its members, associates and any related Associations. The organisation has well entrenched guideline led policies and practices to address and redress grievances of any nature.

Information with reference to BRR framework:

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGO/Others?**

   The policy is applicable to Solar and its subsidiaries. Solar's Human rights policy covers the guidelines on Right to Equality, Freedom, Cultural and Educational rights and it's applicable to all employees of Solar group.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   There is no Complaint received related to the case of Sexual Harassment during the reporting period.

PRINCIPLE 6 :- ENVIRONMENT

Businesses should respect, protect, and make efforts to restore the environment.

Information with reference to BRR framework:

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGO /others.**

   We have a Safety, Health and Environment Policy in place and initiative actions to protect environment in all our manufacturing processes. This policy is applicable to all its manufacturing locations.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.**

   Yes. The overall roadmap as well as specific issues of concern including those related to Environmental sustainability, Climate change and Global Warming is reviewed in detail and Company undertake all the desired initiatives on continuous basis to mitigate the impact of our operations and products throughout their life cycle. Environmental parameters monitoring is performed, and company takes cognizant efforts not only to minimize emissions by undertaking various initiatives & implementing innovative technologies across our operations but also to reduce, reuse, recycle and reclaim vital resources.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, Company has implemented Environment Management System and accredited ISO 14001:2015. Environmental management plan has been prepared and Impact register is periodically reviewed for keeping it updated and for improving environmental performance.

   Water and wastewater management are two critical areas we are working on with our value chain partners and government for integrated watershed management and rainwater harvesting. We are revamping energy and emission road map at plant level.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has taken pre-emptive approach towards zero liquid discharge. All the plant effluent and sewage streams are treated in ETP/STP comprising advanced effluent treatment processes like Reverse Osmosis (RO) and Multi Effect Evaporating systems (MEES) enabling to recycled treated effluents and achieving Zero Liquid Discharge. Solid wastes are recycled and reused, Plastic wastes and other Hazardous wastes are being sent to recyclers and to common hazardous waste site.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Our extensive work at the vicinity of our operations has led to positive impact on local environment and our reputation. Biodiversity is our focus to preserve the ecosystem. The Company has adopted eco-friendly technologies across its various operational processes. Some of the initiatives undertaken for environmental preservation are highlighted below:

   i. Water is the most precious natural resource; accordingly, water audit has been conducted and a recommendation has been complied. .

   ii. Digital water meters and Piezometers with telemetry has been installed.

   iii. The wastewater from processes is reduced and recycled to achieve ZLD.

   iv. Multi effect evaporation system (MEES) has been installed for treatment of effluents from primary explosives and TNT plant. Another 100 KLD MEES is commissioned. .

   v. Reduction of hazardous & non-hazardous waste through process improvement.

   vi. Hazardous waste is disposed through authorised and MPCB approved agencies.

   vii. The electronic wastes are sent to authorised recyclers.

   viii. Rain harvesting facilities have been developed through check dam and water harvesting ponds.

   ix. Online continuous emission monitoring system (OCEMS) has been installed at boiler for monitoring of SPM, SO_2 and NO_2 gases.

   x. Environmental monitoring conducted by NABL approved laboratory on quarterly basis for waste- water, drinking water, stack, and ambient air/noise.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

   The effluent parameters and emissions were maintained within the consent norms and Hazardous waste quantity disposed by the company was within the threshold quantity of authorisation granted by Maharashtra pollution control board during the financial year 2021-22.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as an end of Financial Year.**

   There are no show cause notices from either CPCB/ SPCB in the reporting period.

PRINCIPLE 7:- RESPONSIBLE ADVOCACY

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

Information with reference to BRR framework:

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

    a. Federation of Indian Chambers of Commerce and Industry
    b. Confederation of Indian Industry
    c. Society of Indian Defence Manufacturers
    d. PHD Chamber of Commerce and Industry
    e. Bharat Shakti
    f. Vidarbha Industries Association

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

    Yes, Company leverages these associations for advancement of public good. Some examples are as follows:

    a) SAFEX International: Evolution of International best practices for safety in explosive manufacturing worldwide. Application of international Best practices for safety of employees and community. Incident reporting and Sharing the learnings for public good.

    b) Explosive Manufacturers Welfare Association (EMWA): Phase out of Instantaneous Electric Detonators (IED) and tracking and tracing on explosives.

    c) Quality Circle Forum of India (QCFI): Improvement of Health and hygiene in communities through practices of 5S principles of workplace and home organisation.

    d) Vidarbha Industries Association: Promotion and development of new industries and Start-ups in Vidarbha region through events conferences and exhibitions.

PRINCIPLE 8:- INCLUSIVE GROWTH

Businesses should support inclusive growth and equitable development.

For any organization, sustainable long-term value-creation is not just dependent on a robust business model; it largely depends upon the mission and values that drive it. For growth to be responsible, it should go beyond numbers. It should do good to the society, create a better world. That's the kind of growth that Solar believes in, and constantly strives for. Our stated purpose is to "Make a Difference and adding Value". A firm has to work closely with its ecosystem to create a sustainable & inclusive growth for all.

Information with reference to BRR framework:

1. **Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

    It's our continuous endeavor to integrate sustainability considerations in all our business decisions. Solar's CSR initiatives can be grouped in.

    Yes, the major areas in which initiative/ projects undertaken are given below:

    1. Health & Hygiene
    2. Disaster management including relief rehabilitation and Reconstruction
    3. Animal welfare & Rural Development
    4. Education
    5. Rural Development
    6. Skill Development

    The details of CSR initiatives undertaken by your Company are set out in Annexure 'D' of Directors Report.

2. **Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures /any other organization?**

    Solar collaborates with Government bodies, NGOs and donating agencies to implement community initiatives in the thematic areas Health & Hygiene, Disaster management including relief rehabilitation and reconstruction, Animal Welfare & Rural Development , Education and Skill development.

3. **Have you done any impact assessment of your initiative?**

    No.

4. **What is your Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

   An amount of ₹ 5.50 Crores was spent towards various CSR projects during the Financial Year 2021-22 benefitting many people.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and benefits accrued to the Community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out.

PRINCIPLE 9:- CUSTOMER VALUE

Businesses should engage with and provide value to their customers in a responsible manner.

It is the responsibility of the organisation to provide products that satisfactorily meet the customer requirements. Solar has a customer - centric approach.

Information with reference to BRR framework:

1. **What percentage of customer complaints/ consumer cases is pending as on the end of Financial Year?**

   Company received 24 customer complaints during the year which were resolved as at the end of the Financial Year. None is pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)**

   Yes, Solar adheres to all compliance of product information and product labeling.

   All the product information is available at the Company's Website www.solargroup.com

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.**

   There are no cases filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior. There is one case pending in Supreme Court on Bid rigging filed by the commission against the order of the Appellate commission. This pertains to the Case filed by Coal India Ltd on 10 manufacturers for bid rigging during the year 2010-11.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Customer Satisfaction feedback is important to Solar as it ensures that its overall reputation and brand promise is safeguarded in the geographies it operates in. The Company does not carry out any consumer survey .However, consumer satisfaction trends is analyzed through a feedback system.

Standalone
Financial Statements

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 2022, 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, 2022, 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, 2022. 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
Revenue Recognition *(as described in note 2.2 (j) of the standalone financial statements)*	
Revenue from sale of goods is recognized as outlined in note 18 of the standalone financial statements. 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.	Our audit procedures included, among others the following: • 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>As at March 31, 2022, the Company is carrying a powder factor provision of ₹ 24.68 crore.

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.</td><td>• 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 reviewed the disclosures made by the Company in the standalone financial statements.</td></tr>
<tr><td colspan="2">Carrying value of trade receivables (as described in note 2.2(i)(4) of the standalone financial statements)</td></tr>
<tr><td>As at March 31, 2022, trade receivables constitutes approximately 15% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables.

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.

This is a key audit matter as significant judgement is involved to establish the provision matrix.

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.</td><td>Our audit procedures included, among others the following:
• 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 reviewed the disclosures made by the Company in the standalone financial statements.</td></tr>
<tr><td colspan="2">Receivables under Package Scheme of Incentives 2007 and 2013 (PSI) (as described in note 2.2 (x) of the standalone financial statements)</td></tr>
<tr><td>The Company was eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002.

From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra.

Total outstanding receivable of PSI incentive relating to above as at March 31, 2022 is ₹ 145.77 crore.

This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amounts.</td><td>Our audit procedures included, among others the following:
• Read the PSI scheme and evaluated the eligibility of the Company to claim incentives.
• Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Company's eligibility of PSI incentive.
• Evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed.
• Read the correspondences with the government department relating to incentive claims filed by the Company.
• Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables.</td></tr>
</table>

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 the 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, 2022 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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(s) or entity(ies), 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(s) or entity(ies), 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 that were 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 amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Reg. number
139703W

per Akshay Rathi
Proprietor
Membership No.: 161910

UDIN:
22161910AIHYYL9130

Place: Nagpur
Date: May 03, 2022

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497

UDIN:
22105497AIHZIL9258

Place: Nagpur
Date: May 03, 2022

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind as Financial Statements of Solar Industries India Limted

(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 (₹ 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, 2022.

(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 management has conducted physical verification of inventory [including inventory lying with third parties] at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.

(b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 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, investments and guarantees to companies as follows:

[₹ in Crores]

Particulars	Loans	Investments	Guarantee
Aggregate amount granted/Provided during the year	945	18	113
Particulars	**Loans**	**Investments**	**Guarantee**
Subsidiaries	945	–	113
Associate	–	–	–
Others	–	18	–
Balance O/s as at balance sheet date			
Subsidiaries	287	127	661
Associate	–	–	–
Others	–	18	–

(b) During the year the investments made, loans granted and guarantees provided and the terms and conditions of the grant of all loans 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 overdues 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 (₹ in crore)	Amount deposited under protest (₹ 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
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	1.70	0.11	2017- 2018	Tribunal
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	0.72	–	2020- 2021	Commissionerate
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.42	0.04	2008-2009	Tribunal

Name of the statute	Nature of the dues	Amount (₹ in crore)	Amount deposited under protest (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
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 has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(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 Akshay Rathi & Associates	**For S R B C & CO LLP**
Chartered Accountants	Chartered Accountants
ICAI Firm Reg. number 139703W	ICAI Firm Reg. number: 324982E/E300003
per Akshay Rathi	**per Pramod Kumar Bapna**
Proprietor	Partner
Membership No.: 161910	Membership No.: 105497
UDIN: 22161910AIHYYL9130	UDIN: 22105497AIHZIL9258
Place: Nagpur	**Place:** Nagpur
Date: May 03, 2022	**Date:** May 03, 2022

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Solar Industries India Limted

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, 2022 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2022, 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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Reg. number
139703W

per Akshay Rathi
Proprietor
Membership No.: 161910

UDIN:
22161910AIHYYL9130

Place: Nagpur
Date: May 03, 2022

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497

UDIN:
22105497AIHZIL9258

Place: Nagpur
Date: May 03, 2022

Balance Sheet

as at March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	696.42	550.73
Capital work in progress	3A	40.78	127.40
Intangible assets	3B	7.61	4.87
Intangible assets under development	3B	0.13	2.29
Right-of-use assets	3C	2.16	2.16
Financial assets			
Investments	4	145.79	128.53
Loans	5	247.04	99.82
Other financial assets	6	90.45	62.36
Current tax assets (net)		7.62	13.08
Other non-current assets	9	18.57	13.47
Total non-current assets		**1,256.57**	**1,004.71**
Current assets			
Inventories	10	273.87	142.75
Financial assets			
Investments	4	–	–
Trade receivables	7	297.75	294.80
Cash and cash equivalents	8	23.13	45.35
Bank balances other than cash and cash equivalents	8	2.11	2.28
Loans	5	39.88	31.73
Other financial assets	6	53.57	52.62
Other current assets	9	59.29	26.21
Total current assets		**749.60**	**595.74**
Non-current assets classified as held for sale	3D	2.91	–
Total assets		**2,009.08**	**1,600.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	1,347.49	1,138.71
Total equity		**1,365.59**	**1,156.81**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	118.56	74.65
Lease Liabilities	3C	0.57	0.67
Deferred tax liabilities (net)	14	85.66	71.98
Total non-current liabilities		**204.79**	**147.30**
Current liabilities			
Financial liabilities			
Borrowings	13	36.09	50.75
Trade payables	15		
a) total outstanding dues to micro enterprises and small enterprises		8.35	5.21
b) total outstanding dues to creditors other than micro enterprises and small enterprises		327.00	182.21
Lease Liabilities	3C	0.76	0.60
Other financial liabilities	16	33.93	38.97
Other current liabilities	17	28.51	14.90
Provisions	17A	4.06	3.70
Total current liabilities		**438.70**	**296.34**
Total liabilities		**643.49**	**443.64**
Total equity and liabilities		**2,009.08**	**1,600.45**
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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number :139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Statements of Profit and Loss

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	18	2,528.34	1,584.40
Other income	19	36.17	25.64
Total income		**2,564.51**	**1,610.04**
Expenses			
Cost of materials consumed	20	1,647.19	918.71
Purchases of stock-in-trade		160.35	122.16
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(25.36)	(17.47)
Employee benefit expense	22	131.89	95.98
Finance costs	23	8.85	6.52
Depreciation and amortisation expense	24	49.44	37.98
Other expenses	25	239.13	192.94
Total expenses		**2,211.49**	**1,356.82**
Profit before tax		**353.02**	**253.22**
Tax expense :			
Current tax		77.08	65.82
Adjustment of tax relating to earlier periods		1.27	(1.19)
Deferred tax		13.15	(0.48)
Total tax expense	14	**91.50**	**64.15**
Profit for the year		**261.52**	**189.07**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on defined benefit plans		1.98	0.35
Income tax effect		(0.50)	(0.09)
		1.48	**0.26**
Items that will be reclassified to profit or loss			
Net movement on Cash Flow Hedge Reserve		0.10	0.52
Income tax effect		(0.03)	(0.13)
		0.07	**0.39**
Total Other comprehensive income for the year, net of tax		**1.55**	**0.65**
Total comprehensive income for the year		**263.07**	**189.72**
Earnings per equity share			
Basic and Diluted earnings per share	26	28.90	20.89
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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number :139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Statement of Cash Flows

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	**353.02**	**253.22**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	49.44	37.98
Profit on Sale of property, plant and equipment (net)	(0.31)	–
Discard of property, plant and equipment (net)	2.34	0.03
Net loss on financial assets measured at fair value through profit and loss	0.24	0.81
Profit on sale of financial assets carried at fair value through profit and loss	(0.32)	(0.58)
Dividend and interest income	(23.03)	(16.19)
Finance costs	8.85	6.52
Impairment (gain)/loss on financial assets	(15.36)	16.32
Impairment (gain)/loss on non current assets	5.47	–
Impairment for Inventory	–	0.16
Bad debts written off	0.95	0.24
Advances written off	0.02	0.03
Effect of Exchange Rate Change	(12.23)	(4.26)
Operating profit before working capital changes	**369.08**	**294.28**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	21.41	(99.47)
(Increase)/Decrease in inventories	(131.12)	(42.63)
Increase/(Decrease) in trade payables	147.12	80.94
(Increase)/ Decrease in other assets	(49.14)	(22.27)
Increase/(Decrease) in other liabilities	9.55	1.35
Cash generated from operations	**366.90**	**212.20**
Less : Income taxes paid	72.89	64.43
Net cash flows from operating activities	**294.01**	**147.77**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(128.99)	(127.21)
Proceeds from sale of property, plant and equipment	0.44	0.61
Advance received against land	3.48	–
Loan given to related parties	(944.89)	(714.78)
Loan recovered from related parties	792.72	722.83
Loans and deposits (given)/recovered from others	–	1.20
Proceeds from (Purchase)/ sale of non-current investments	(17.50)	1.04
Proceeds from (Purchase)/ sale of current investments	0.32	0.06
(Investment)/Redemption in fixed deposits	0.17	(0.16)
Dividend and interest income received	14.04	17.08
Net cash flows used in investing activities	**(280.21)**	**(99.33)**
Cash flows from financing activities		
Proceeds from long term borrowings	80.00	47.11
Repayment of long term borrowings	(30.75)	(30.92)
Proceeds from / (Repayment of) short term borrowings	(20.00)	(18.74)
Payment of principal portion of lease liabilities	(0.87)	(0.37)
Interest paid	(10.11)	(8.74)
Dividend paid	(54.29)	(54.29)
Net cash flows used in financing activities	**(36.02)**	**(65.95)**
Net increase / (decrease) in cash and cash equivalents	(22.22)	(17.51)
Add:-Cash and cash equivalents at the beginning of the year	45.35	62.86
Cash and cash equivalents at end of the year (refer note 8)	**23.13**	**45.35**

Statement of Cash Flows

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2021	Cash flows	Foreign exchange impact	March 31, 2022
Short Term borrowings	20.00	(20.00)	–	–
Long Term borrowings	105.40	48.76	0.49	154.65
Total liabilities from financing activities	**125.40**	**28.76**	**0.49**	**154.65**

Particulars	March 31, 2020	Cash flows	Foreign exchange impact	March 31, 2021
Short Term borrowings	38.74	(18.74)	–	20.00
Long Term borrowings	90.36	16.19	(1.15)	105.40
Total liabilities from financing activities	**129.10**	**(2.55)**	**(1.15)**	**125.40**

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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number :139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Statement of Changes in Equity

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Particulars	No of Shares	Amount
As at April 1, 2020 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 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

B. Other Equity

	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)	
Balance as at April 1, 2020	**149.13**	**423.68**	**4.29**	**426.61**	**(0.43)**	**1,003.28**
Profit for the year	–	189.07	–	–	–	189.07
Transfer from retained earnings	–	–	–	75.00	–	75.00
Transfer to General reserve	–	(75.00)	–	–	–	(75.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges (net of tax)	–	–	–	–	0.39	0.39
Remeasurement loss on defined benefit plans (net of tax)	–	0.26	–	–	–	0.26
Transactions with owners :						
Dividend paid	–	(54.29)	–	–	–	(54.29)
Balance as at March 31, 2021	**149.13**	**483.72**	**4.29**	**501.61**	**(0.04)**	**1,138.71**
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**

As per our report of even date attached

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number :139703W

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 Akshay Rathi
Proprietor
Membership No.- 161910

per Pramod Kumar Bapna
Partner
Membership No.- 105497

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
[Joint CFO]

Shalinee Mandhana
[Joint CFO]

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Place: Nagpur
Date : May 03, 2022

Place: Nagpur
Date : May 03, 2022

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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 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 amortisation 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

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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	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

Notes to Standalone Financial Statements

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time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

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

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

ii. Lease Liabilities:

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

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

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

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

h. 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

The Company elected to classify irrevocably its non-listed equity investments under this category.

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

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' arrangements; 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.

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for the year ended March 31, 2022

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.

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

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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 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

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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.

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 recognized 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 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.

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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

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

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(iii) Leave encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. 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:

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.

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 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.

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the Company has disclosed segment information only on basis of the consolidated financial statements which are presented together along with the standalone financial statements.

q. Earnings per share (EPS)

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

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

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

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

u. Fair value measurement

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

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

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

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

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

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

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

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

v. Non-current assets held for sale

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

- 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 Group'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.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

Estimation Uncertainty due to Global Health Pandemic on COVID-19

Refer Note 38 of the Standalone Financial Statements.

2.3 Changes in accounting standard

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments : Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

(iii) Ind AS 103: Business combination

(iv) Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (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 Computer	Total
Year Ended March 31, 2021							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2020[1]	81.97	215.73	10.21	310.89	25.79	10.89	655.48
Additions	0.01	24.42	1.33	17.45	3.45	1.54	48.20
Disposals	–	–	–	(1.87)	(0.73)	–	(2.60)
Closing Gross Carrying Amount as at March 31, 2021	**81.98**	**240.15**	**11.54**	**326.47**	**28.51**	**12.43**	**701.08**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2020[1]	–	26.82	2.73	74.15	7.58	4.52	115.80
Depreciation charge for the year	–	8.16	0.99	22.90	2.65	1.82	36.52
Disposals	–	–	–	(1.28)	(0.69)	–	(1.97)
Closing Accumulated Depreciation as at March 31, 2021	**–**	**34.98**	**3.72**	**95.77**	**9.54**	**6.34**	**150.35**
Net Carrying Amount as at March 31, 2021	**81.98**	**205.17**	**7.82**	**230.70**	**18.97**	**6.09**	**550.73**
Year Ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2021	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**
Opening accumulated depreciation as at April 1, 2021	–	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**
Capital Work-in-Progress as at March 31, 2022							**40.78**
Capital Work-in-Progress as at March 31, 2021							**127.40**

Notes:-

1. [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.

2. 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).

3. ** The Company has discarded certain assets based on the phiysical verification conducted. During the year ended on March 31, 2022, the loss on such assets is ₹ 1.97 (net) in Building, Furniture & Fixture and Plant & machinary due to wear and tear over a period of time.

4. The amount of borrowing costs capitalised during the year ended March 31, 2022 was ₹ 1.33 (March 31, 2021: ₹ 3.89). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 6.50 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset (refer note 23).

5. 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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

6. Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2022

(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	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				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	–	1.17	–	–	1.17

B. CWIP ageing as on March 31, 2021

(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	115.05	8.42	1.72	1.05	126.24
- Projects temporarily suspended	–	–	1.16	–	1.16
Total	**115.05**	**8.42**	**2.88**	**1.05**	**127.40**

(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	–	–	1.16	–	1.16

Note 3B. Intangible assets

	Software & License	Others [2]	Total
Year ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount April 1, 2020[1]	**3.22**	**1.81**	**5.03**
Additions	2.19	–	2.19
Gross carrying amount as at March 31, 2021	**5.41**	**1.81**	**7.22**
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2020[1]	**1.19**	**0.15**	**1.34**
Amortisation for the year	0.73	0.28	1.01
Accumulated amortisation as at March 31, 2021	**1.92**	**0.43**	**2.35**
Net carrying amount as at March 31, 2021	**3.49**	**1.38**	**4.87**
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2021	**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**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B. Intangible assets (Contd..)

	Software & License	Others [2]	Total
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2021	**1.92**	**0.43**	**2.35**
Amortization 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**
Intangible assets under development as at March 31, 2022**			0.13
Intangible assets under development as at March 31, 2021			2.29

Notes:-

1. [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. [2] Others represents Cast Booster Technical know-how for limited period of 5 Years and Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for India Armed Forces for limited period of 10 years. Addition to others in current year represents Transfer of Technology of Multi Role Precisison Kill Systems by Godavri 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, 2022, the loss on such assets is ₹ 0.38 on software and license.

4. Intangible Asset Under development (IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2022

(a) **IAUD ageing schedule**

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	0.13	–	–	–	0.13
- Projects temporarily suspended	–	–	–	–	–
Total	**0.13**	**–**	**–**	**–**	**0.13**

B. IAUD ageing as on March 31, 2021

(a) **IAUD ageing schedule**

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	1.54	0.37	–	–	1.91
- Projects temporarily suspended	–	0.38	–	–	0.38
Total	**1.54**	**0.75**	**–**	**–**	**2.29**

(b) **IAUD overdue completion schedule**

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Software	0.38	–	–	–	0.38

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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, 2021			
As at April 1, 2021	**0.43**	**1.00**	**1.43**
Additions	1.18	–	1.18
Termination*	(0.00)	–	(0.00)
Depreciation	(0.41)	(0.04)	(0.45)
As at March 31, 2021	**1.20**	**0.96**	**2.16**
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**

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, 2022	March 31, 2021
As at April 1, 2021	**1.27**	**0.47**
Additions	0.92	1.18
Termination*	–	(0.00)
Accretion of interest	0.10	0.08
Payments	(0.96)	(0.46)
As at March 31, 2022	**1.33**	**1.27**
Current	0.76	0.60
Non-current	0.57	0.67

The maturity analysis of lease liabilities are disclosed in Note 32.

The effective interest rate for lease liabilities is 6.60%, with maturity between 2021-2099.

* Amount is less than ₹ 0.01

The following are the amounts recognised in profit or loss:

	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	0.93	0.45
Interest expense on lease liabilities	0.10	0.08
Expense relating to short-term leases (included in other expenses)	0.44	0.58
Total amount recognised in profit or loss	**1.47**	**1.11**

The Company had total cash outflows for leases of ₹ 1.41 in March 31, 2022 (₹ 1.04 in March 31, 2021).

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3D. Non-current Assets classified as held for sale

	March 31, 2022	March 31, 2021
Freehold Land	2.91	–
Total	**2.91**	**–**

Note:-

As at March 31, 2022, the Company intends to dispose off freehold land as it has no future plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land held for sale.

Note 4. Investments

Non-current investments

	Face value	Number of Shares/ Units		Amount	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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
Blastec India Private Limited (Refer Note 39)	₹ 100	–	9,90,000	–	5.41
Emul Tek Private Limited (Refer Note 39)	₹ 10	59,67,700	49,77,700	6.21	0.80
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
				127.65	**127.65**
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Private Limited (struck off w.e.f October 25, 2021)	₹ 10	–	4,90,000	–	0.49
Solar Bhatgaon Extension Mines Private Limited (struck off w.e.f October 29, 2021)	₹ 10	–	4,90,000	–	0.49
Impairment in value of Investment				–	(0.98)
				–	**–**
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	0.11	0.11
				0.11	**0.11**
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.53	0.77
				0.53	**0.77**
Investment carried at Fair Value through Other Comprehensive Income					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	–	17.50	–
Equity Shares of Skyroot Aerospace Private Limited*	₹ 1	5	–	0.00	–
				17.50	**–**
Aggregate amount of unquoted investments				**145.79**	**128.53**
Aggregate amount of impairment in value of investments				**–**	**(0.98)**

* Amount is less than ₹ 0.01 for March 31, 2022

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments (Contd..)

Current investments

	Face value	Number of Shares/ Units		Amount	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Quoted					
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	₹ 1	5,000	5,000	–	–
				–	**–**
Aggregate amount of quoted investments and market value thereof				**–**	**–**

Note 5. Loans

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (refer note 29D)	39.88	247.04	31.73	99.82
	39.88	**247.04**	**31.73**	**99.82**

Notes:

1. 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.
2. No Loans receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

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

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Emul Tek Private Limited	–	23.46	2.73	–
	–	**23.46**	**2.73**	**–**

3. 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 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, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 6. Other financial assets

	March 31, 2022		March 31, 2021	
	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	–	0.53	–
	0.82	**–**	**0.53**	**–**
Others				
State Government Incentive Receivables	47.81	86.66	47.50	58.30
Interest accrued from related party (refer note 29D)	4.89	–	3.49	–
Interest accrued from Others	–	–	0.08	–
Interest accrued but not due on Fixed Deposits	0.04	–	0.08	–
Security deposits	0.01	3.79	0.29	4.06
Others receivable	–	–	0.65	–
	52.75	**90.45**	**52.09**	**62.36**
	53.57	**90.45**	**52.62**	**62.36**

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, 2022	March 31, 2021
Trade receivables	162.55	174.13
Receivables from related parties (refer note 29D)	149.61	150.44
Less: Impairment allowance	(14.41)	(29.77)
Total Trade receivables	**297.75**	**294.80**

Break-up of security details

	March 31, 2022	March 31, 2021
Secured, considered good	21.75	5.40
Unsecured, considered good	279.86	292.56
Trade Receivables - credit impaired	3.99	26.61
Trade Receivables which have significant increase in credit risk	6.56	–
	312.16	**324.57**
Impairment allowance		
Unsecured, considered good	(3.86)	(3.16)
Trade Receivables - credit impaired	(3.99)	(26.61)
Trade Receivables which have significant increase in credit risk	(6.56)	–
	(14.41)	**(29.77)**
	297.75	**294.80**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables (Contd..)

Trade Receivable ageing schedule

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	> 3year	Total
(i) Undisputed Trade receivables - considered good	165.08	79.23	56.50	0.27	0.53	–	**301.61**
(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**

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2021					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed Trade receivables - considered good	161.32	83.14	41.37	12.13	–	–	**297.96**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		–	–	–	–	–	**-**
(iii) Undisputed Trade Receivables – credit impaired		–	–	9.02	8.90	8.69	**26.61**
Total	**161.32**	**83.14**	**41.37**	**21.15**	**8.90**	**8.69**	**324.57**

Notes :-

1. 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.

2. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

3. 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, 2022	March 31, 2021
As at April 1	29.77	13.45
Provision /(Reversal) for expected credit losses	(15.36)	16.32
As at March 31	**14.41**	**29.77**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 8. Cash and Bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks		
On current accounts	21.28	45.19
Deposits with Bank	0.80	–
Funds in Transit#	1.00	–
Cash on hand	0.05	0.16
	23.13	**45.35**
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.06	2.23
Earmarked balances with banks *	0.05	0.05
	2.11	**2.28**

*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, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	–	18.37	–	5.94
Prepayments	9.74	–	4.73	–
Advances to suppliers for goods and services	26.58	–	11.64	–
Advances to staff	0.90	–	0.28	–
Balances with revenue authorities	22.07	0.20	9.56	7.53
	59.29	**18.57**	**26.21**	**13.47**

Note 10. Inventories

	March 31, 2022	March 31, 2021
Raw materials and packing materials (includes in transit of ₹ 44.46 (Previous year : ₹ 29.04))	176.07	79.75
Work-in-progress (includes in transit of ₹ 2.91 (Previous year : ₹ 00.00))	34.82	18.49
Finished goods (includes in transit of ₹ 5.65 (Previous year : ₹ 2.58))	38.87	30.62
Stock-in-trade (Includes stock in transit of ₹ 2.63 (Previous year : ₹ 1.83))	3.09	2.31
Stores and spares (includes in transit of ₹ 0.23 (Previous year : ₹ 00.00))	14.90	10.80
Project inventory in progress	6.12	0.78
	273.87	**142.75**

Note:-

Value of inventories above is stated after provision of ₹ 4.01 (previous year ₹ 0.16) for write down to net realisable value and provision for old / slow moving and obsolete items.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital

	Number of Shares		Amount	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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**

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2020	**9,04,90,055**	**18.10**
As at March 31, 2021	9,04,90,055	18.10
As at March 31, 2022	**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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Shri Manish Nuwal	38.93%	27.88%	3,52,32,069	2,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
Sbi Focused Equity Fund	7.05%	7.37%	63,75,788	66,68,863
Smt Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Shri Satyanarayan Nuwal	3.58%	14.63%	32,38,254	1,32,38,254

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital (Contd..)

(e) Details of Shares held by promoters :-

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**		

As at March 31, 2021

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	–	2,52,32,069	27.88%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	–	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	1,32,38,254	–	1,32,38,254	14.63%	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**		

Note 11A. Other equity

Securities premium[1]

As at April 1, 2020	**149.13**
Movement for the year 2020-21	–
As at March 31, 2021	**149.13**
Movement for the year 2021-22	–
As at March 31, 2022	**149.13**

Retained earnings[5]

As at April 1, 2020	**423.68**
Add : Profit for the year	189.07
Less :Transfer to General Reserve	(75.00)
Less : Final Dividend of FY 2019-20	(54.29)
Add: Remeasurement gain on defined benefit plans	0.26
As at March 31, 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**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

Capital reserve[2]

As at April 1, 2020	**4.29**
Movement for the year 2020-21	–
As at March 31, 2021	**4.29**
Movement for the year 2021-22	–
As at March 31, 2022	**4.29**

General reserve[3]

As at April 1, 2020	**426.61**
Add : Transfer from retained earnings	75.00
As at March 31, 2021	**501.61**
Add : Transfer from retained earnings	100.00
As at March 31, 2022	**601.61**

Cash flow hedge reserve[4]

As at April 1, 2020	**(0.43)**
Movement for the year 2020-21	0.39
As at March 31, 2021	**(0.04)**
Movement for the year 2021-22	0.07
As at March 31, 2022	**0.03**

Total other equity

As at April 1, 2020	**1,003.28**
Movement for the year 2020-21	135.43
As at March 31, 2021	**1,138.71**
Movement for the year 2021-22	208.78
As at March 31, 2022	**1,347.49**

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, 2022 [All amounts in ₹ Crores, unless otherwise stated]

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.

Note 11B. Distribution made and proposed

	March 31, 2022	March 31, 2021
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2021: ₹ 6 per share (March 31, 2020: ₹ 6 per share)	54.29	54.29
	54.29	**54.29**
Proposed dividends on Equity shares*		
Final cash 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 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, 2022	March 31, 2021
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	–	13.00
Indian Rupee term loan	154.65	92.40
Interest accrued but not due	0.83	0.56
	155.48	**105.96**
Less:		
Current maturities of long-term debt (refer note 13)	(36.09)	(30.75)
Interest accrued but not due on non-current borrowings (refer note 16)	(0.83)	(0.56)
	118.56	**74.65**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 13. Current Borrowings

	March 31, 2022	March 31, 2021
Secured - at Amortised cost		
From banks		
Current maturities of long term debt	36.09	30.75
Interest accrued but not due	0.14	0.04
Unsecured at Amortised cost		
From banks		
Indian Rupee working capital loan	–	20.00
	36.23	**50.79**
Less:		
Interest accrued but not due on current borrowings (refer note 16)	(0.14)	(0.04)
	36.09	**50.75**

Note:-

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 of 4.25%.

Note 13A. Maturity profile

Maturity profile of Non current Borrowing (Including Current Maturities)

	Maturity date	Terms of repayment	March 31, 2022	March 31, 2021
Secured				
Foreign currency term loan from Bank*	August 31, 2021	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	–	13.00
Rupee Term Loan from Bank#	September 13, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	41.67	50.00
Rupee Term Loan from Bank&	September 26, 2026	Repayable in sixteen quarterly installment starting after moratorium period of 12 months	80.00	–
Rupee Term Loan from Bank^	August 31, 2025	Repayable in twenty quarterly installment	32.98	42.40
			154.65	**105.40**

*The above foreign currency term loan from Banks carries an interest rate of LIBOR+ 212 bps.

#The Indian rupee long term loan from bank carries an interest rate of 1 year MCLR.

&The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

^The Indian rupee long term loan from bank is linked to Repo rate with a spread of 300 bps.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 13A. Maturity profile (Contd..)

Security

The above non current loan 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.

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, 2022 and March 31, 2021 are :

Statement of profit and loss:

Profit and loss section

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	77.08	65.82
Adjustment of tax relating to earlier periods	1.27	(1.19)
Deferred tax:		
Relating to origination and reversal of temporary differences	13.15	(0.48)
Tax expense reported in the statement of profit and loss	**91.50**	**64.15**

Other Comprehensive Income section

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

	March 31, 2022	March 31, 2021
Net (loss)/ gain on Cash flow hedges	0.03	0.13
Net (loss)/ gain on remeasurements of defined benefit plans	0.50	0.09
Income tax charged to OCI	**0.53**	**0.22**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 :

	March 31, 2022	March 31, 2021
Accounting profit before tax	353.02	253.22
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	88.85	63.73
Effect of :		
Corporate Social Responsibility expenditure	1.38	1.30
Donation	0.14	0.34
Leases	–	0.24
Tax in respect of earlier years	1.27	(1.19)
Others	(0.14)	(0.27)
Total income tax expense	**91.50**	**64.15**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 14. Tax expenses (Contd..)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2022	March 31, 2021
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	95.90	82.48
Financial assets at fair value through profit or loss	(0.13)	(0.11)
Derivative Instruments at fair value through profit or loss	0.21	0.11
Gratuity	0.50	0.09
Provision for discounting of non current assets	(3.36)	(2.39)
Provision towards trade receivables	(3.63)	(7.49)
Leases	0.21	0.22
Cash flow hedges	0.02	–
Provision for statutory dues	(2.03)	–
Provision for write down to net realizable value of inventory	(1.01)	–
Employee benefits	(1.02)	(0.93)
Net deferred tax (assets)/ liabilities	**85.66**	**71.98**

Statement of profit and loss

	March 31, 2022	March 31, 2021
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	13.42	5.36
Provision towards trade receivables	3.88	(4.11)
Provision for investments in associates	–	0.25
Provision for discounting of Non current assets	(0.97)	(1.70)
Employee benefits	0.32	0.03
Financial assets at fair value through profit or loss	(0.02)	(0.06)
Derivative Instruments at fair value through profit or loss	0.10	(0.25)
Leases	(0.01)	0.22
Provision for Statutory dues	(2.03)	–
Provision for write down to net realizable value of inventory	(1.01)	–
Remeasurement of defined benefit plans	(0.50)	(0.09)
Revaluation of cash flow hedges	(0.03)	(0.13)
Deferred tax expense/(income)	**13.15**	**(0.48)**

Reconciliation of Deferred tax liabilities (net):

	March 31, 2022	March 31, 2021
Opening balance	**71.98**	**72.24**
Tax (income)/expense during the period recognised in profit or loss	13.15	(0.48)
Tax (income)/expense during the period recognised in OCI	0.53	0.22
Closing balance	**85.66**	**71.98**

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, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 15. Trade payables

	March 31, 2022	March 31, 2021
Current		
Trade payables*		
a) total outstanding dues to micro enterprises and small enterprises (refer note 37)	8.35	5.21
b) total outstanding dues to creditors other than micro enterprises and small enterprises	127.45	127.16
Acceptances #	199.55	55.05
Total Trade payables	**335.35**	**187.42**

Break up of trade payables

	March 31, 2022	March 31, 2021
Trade (payables other than related parties (including acceptances)	332.28	176.71
Trade (payables to related parties (refer note 29D)	3.07	10.71
	335.35	**187.42**

Trade payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment for 31st March 2022				
		< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(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**

Particulars	Not Due	Outstanding for following periods from due date of payment for 31st March 2021				
		< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	4.64	0.57	–	–	–	5.21
(ii) Undisputed dues- Others	175.46	6.05	0.70	–	–	182.21
Total	**180.10**	**6.62**	**0.70**	**–**	**–**	**187.42**

Notes :-

1. * Trade payables are non-interest bearing and are normally settled within 0-60 days term.
2. For trade payables due to Micro and Small enterprises development, refer note 37.
3. For terms and conditions with related parties, refer note 29B.
4. For explanations on the Company's credit risk management processes, refer note 32.
5. # 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.
6. 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, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 16. Other current financial liabilities

	March 31, 2022	March 31, 2021
Derivative Instruments at fair value through OCI		
Fair valuation of derivative contracts (refer note 31)	–	0.10
	–	**0.10**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 12)	0.83	0.56
Interest accrued on current borrowings (refer note 13)	0.14	0.04
	0.97	**0.60**
Others		
Capital creditors	4.45	8.82
Employees related payable (including labour related)	23.01	15.82
Liability towards trade discounts	5.45	13.58
Unclaimed dividend	0.05	0.05
	32.96	**38.27**
	33.93	**38.97**

Note 17. Other current liabilities

	March 31, 2022	March 31, 2021
Statutory dues	9.07	2.73
Contract Liabilities	15.96	12.17
Others	3.48	–
	28.51	**14.90**

Note 17A. Current Provisions

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for leave encashment	4.06	3.70
	4.06	**3.70**

Note 18. Revenue from operations

	March 31, 2022	March 31, 2021
Sale of products (refer note 35)	2,452.58	1,537.26
Other operating revenues*	75.76	47.14
	2,528.34	**1,584.40**

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 ₹ 74.57 (previous year ₹ 41.88).

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 19. Other income

	March 31, 2022	March 31, 2021
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	15.08	15.69
others	7.88	0.31
On deposits with bank	0.07	0.12
Profit on sale of investments carried at fair value through profit or loss	0.32	0.58
Dividend income from equity investments designated at fair value through profit or loss	–	0.08
Net gain on disposal of property, plant and equipment	0.31	–
Net gain on foreign currency transaction and translation	10.72	2.88
Bad Debts recovered	–	1.96
Miscellaneous Income	1.79	4.02
	36.17	**25.64**

Note 20. Cost of materials consumed

	March 31, 2022	March 31, 2021
Raw materials and packing materials at the beginning of the year	79.75	52.37
Add: Purchases during the year	1,743.51	946.09
Less: Raw materials and packing materials at the end of the year	176.07	79.75
	1,647.19	**918.71**

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

	March 31, 2022	March 31, 2021
Opening balance		
Work-in progress	18.49	14.15
Finished goods	30.62	16.98
Stock-in-trade	2.31	2.82
	51.42	**33.95**
Closing 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**
	(25.36)	**(17.47)**

Note 22. Employee benefit expense

	March 31, 2022	March 31, 2021
Salaries and wages (including bonus)	51.40	43.56
Remuneration to directors	20.83	7.07
Contribution to provident and other funds (refer note 27)	4.50	3.82
Staff welfare expenses	2.99	1.67
Total - A	**79.72**	**56.12**
Labour charges (including bonus)	52.17	39.86
Total - B	**52.17**	**39.86**
Total expense (A+B)	**131.89**	**95.98**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 23. Finance costs

	March 31, 2022	March 31, 2021
Interest on debts and borrowings*		
To Banks#	8.50	6.44
To Others	0.25	–
Interest on lease liabilities	0.10	0.08
	8.85	**6.52**

*Net of borrowing costs capitalised (refer note 3A)

#Includes relating hedging cost

Note 24. Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation of tangible assets (refer note 3A)	47.04	36.52
Amortization of intangible assets (refer note 3B)	1.47	1.01
Depreciation of Right-of-use assets (refer note 3C)	0.93	0.45
	49.44	**37.98**

Note 25. Other expenses

	March 31, 2022	March 31, 2021
Consumption of stores and spares	9.04	7.93
Repairs and maintenance:		
Plant and machinery	6.95	4.46
Buildings	2.21	1.77
Others	6.97	6.65
Water and electricity charges	30.56	22.91
Rates and taxes	3.45	2.52
Legal and professional fees	17.36	12.41
Travelling and conveyance	4.95	3.86
Sales commission expenses	9.11	4.95
Freight and forwarding charges	53.24	35.59
Transportation charges	38.07	26.91
Pump truck expenses	13.05	8.63
Security service charges	4.57	3.80
Sales promotion expenses	6.91	4.44
Donations	0.56	1.37
Advertisement expenses	0.78	0.28
Advances written off	0.02	0.03
Director's sitting fees	0.30	0.17
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.24	0.81
Bad debts written off	0.95	0.24
Impairment (gain)/loss on financial assets	(15.36)	16.32
Property , plant and equipment discarded	2.34	0.03
Impairment for Inventory	–	0.16
Corporate Social Responsibility expenditure (refer note 25(b))	5.50	5.16
Payments to auditors (refer note 25(a))	1.64	1.14
Testing Charges	3.40	4.10
Insurance Charges	6.95	4.47
Miscellaneous expenses (mainly includes bank charges, Information technology, factory, communication, office expenses etc)	25.37	11.83
	239.13	**192.94**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 25(a). Details of payments to auditors

	March 31, 2022	March 31, 2021
Payment to auditors		
As auditor:		
Audit fee	1.20	0.72
Limited Review	0.40	0.40
In other capacity		
Certification fees	0.04	0.02
	1.64	**1.14**

Note 25(b). CSR expenditure

	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	5.42	5.10
b) Amount approved by the Board to be spent during the year	5.42	5.10
c) Amount spent during the year		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	5.50	5.16
d) Details related to spent / unspent obligation :		
i) Contribution to Disaster management including rehabilitation and reconstruction	1.46	1.31
ii) Contribution to environmental sustainability	–	1.51
iii) Promotion of Education	0.71	1.08
iv) Promoting Health Care	2.00	1.20
v) Swatch Bharat Kosh	–	0.06
vi) Animal Welfare and Rural Development	1.23	–
vii) Skill Development	0.10	–
	5.50	**5.16**

Note 26. Earnings per share (EPS)

	March 31, 2022	March 31, 2021
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	261.52	189.07
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 (₹)	**28.90**	**20.89**
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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations (Contd..)

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed 5 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.

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, 2022	March 31, 2021
Service cost	1.13	0.88
Net interest cost*	(0.06)	0.00
Expenses recognized in the statement of Profit and Loss	**1.07**	**0.88**

* Amount is less than ₹ 0.01 for March 31, 2021

Other Comprehensive Income

	March 31, 2022	March 31, 2021
Opening amount recognized in OCI	–	–
Actuarial gain / (loss) on liabilities	1.96	0.23
Actuarial gain / (loss) on assets	0.02	0.12
Closing amount recognized in OCI	**1.98**	**0.35**

The amount recognized in Balance Sheet

	March 31, 2022	March 31, 2021
Present value of funded obligations	10.88	11.45
Fair value of plan assets	14.29	12.44
Net defined benefit liability / (assets) recognized In Balance Sheet	**(3.41)**	**(0.99)**

Change in Present Value of Obligations

	March 31, 2022	March 31, 2021
Opening defined benefit obligations	11.45	10.57
Service cost	1.13	0.88
Interest Cost	0.72	0.60
Benefit Paid	(0.48)	(0.37)
Actuarial (gain)/ loss on total liabilities	(1.94)	(0.23)
Closing defined benefit obligations	**10.88**	**11.45**

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 27. Employee Benefit obligations (Contd..)

Change in Fair Value of Plan Assets

	March 31, 2022	March 31, 2021
Opening fair value of Plan Assets	12.44	10.57
Actual Return on Plan Assets	0.80	0.71
Employer Contribution	1.53	1.53
Benefit Paid	(0.48)	(0.37)
Closing fair value of Plan Assets	**14.29**	**12.44**

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

	March 31, 2022	March 31, 2021
Investments with insurer (LIC)	66%	72%
Investments with insurer (ICICI)	34%	28%

The significant actuarial assumptions were as follows :

	March 31, 2022	March 31, 2021
Discount Rate	6.81% per annum	6.25% per annum
Rate of increase in Compensation levels	8.00% per annum	5.00% per annum
Rate of Return on Plan Assets	6.25% per annum	5.66% 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 finanacial year will be in line with financial year 2021-22.

Sensitivity Analysis

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

	March 31, 2022	Impact (Absolute)	Impact (%)
Base Liability	10.88		
Increase Discount Rate by 0.50%	10.60	(0.28)	-2.58%
Decrease Discount Rate by 0.50%	11.16	0.28	2.53%
Increase Salary Inflation by 1.00%	11.44	0.56	5.13%
Decrease Salary Inflation by 1.00%	10.35	(0.53)	-4.90%
Increase in Withdrawal Assumption by 5.00%	10.62	(0.26)	-2.39%
Decrease in Withdrawal Assumption by 5.00%	11.24	0.36	3.28%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.
3. The base liability is calculated at discount rate of 6.81% per annum and salary inflation rate of 8.00% per annum for all future years.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 28. Commitments and contingencies

Capital Commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	28.80	19.78

Contingent liabilities

	March 31, 2022	March 31, 2021
Guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	345.10	338.66
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	315.81	273.85
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters	6.95	6.35
Sales tax / VAT related matters	1.15	0.87
Provident Fund related matter	–	0.15
Advance License Import and Export obligation	0.29	0.37

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 (Note 39)	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 Overseas Mauritius Limited	Mauritius
II	**Indirect Subsidiaries (where control exists)**	
i)	**Subsidiaries of Solar Overseas Mauritius Limited, Mauritius**	
	Solar Overseas Singapore Pte Ltd	Singapore
	Solar Overseas Netherlands Cooperative U.A	Netherlands
	Solar Industries Africa Limited	Mauritius

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 29. Related Party Information (Contd..)

Sr. No.	Name of related party and relationship	Country of Incorporation
	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 Ltd	Australia
	Solar Mining Services Cote d'Ivoire Limited SARL (Note -i)	Ivory Coast
	Solar Mining Services Albania (Note -i and iv)	Albania
iii)	**Subsidiaries of Solar Industries Africa Limited, Mauritius**	
	Solar Nitro Chemicals Limited	Tanzania
	Solar Mining Services Burkina Faso SARL (Note -i and iii)	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 6, 2021

Note - iv: The entity incorporated on April 22, 2021

B Other Related Parties:-

I Key Management Personnel (KMP)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director of the Company w.e.f. July 29, 2021)

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 (Appointed as Joint Chief Financial Officer w.e.f May 27, 2021)

Smt Shalinee Mandhana (Appointed as Joint Chief Financial Officer w.e.f May 27, 2021)

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, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 29. Related Party Information (Contd..)

III Non Executive Independent Directors **

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Smt Sujitha Karnad

Shri Sunil Srivastav (Ceased to be a Non-Executive Independent Director w.e.f. January 13, 2022)

** Non executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2021-22. 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

SMS Bhatgaon Mines Extension Private Limited (struck off w.e.f October 25, 2021)

Solar Bhatgoan Extension Mines Private Limited (struck off w.e.f October 29, 2021)

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, 2022	March 31, 2021
Sales of products and services		
Economic Explosives Limited	209.48	126.81
Blastec (India) Private Limited (Note 39)	–	0.65
Emul Tek Private Limited	0.63	–
Nigachem Nigeria Limited	16.72	21.32
PT. Solar Mining Services, Indonesia	0.34	–
Solar Explochem Zambia Limited	18.53	12.98
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	29.09	27.44
Solar Mining Services (Pty) Ltd, South Africa	54.65	37.57
Solar Mining Services Pty Ltd, Australia	9.03	9.62
Solar Nitro Ghana Limited	2.42	5.62
Solar Nitro Chemicals Limited	0.01	0.32
Laghe Venture Company Ltd	3.51	4.50
Total	**344.41**	**246.83**
Other operating income		
Nigachem Nigeria Limited - Technical consultancy	1.49	1.13
Economic Explosives Limited- Transportation	2.49	1.53

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2022	March 31, 2021
Other Income (Arrangement fees)		
Solar Overseas Mauritius Ltd.	0.29	1.54
Solar Mining Services (Pty) Ltd, South Africa	0.79	0.64
Nigachem Nigeria Limited *	0.03	0.00
Solar Nitro Ghana Limited*	0.21	0.00
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.19	0.18
Cross Charges recovered		
Economic Explosives Limited	0.40	0.17
Blastec (India) Private Limited (Note 39)	–	0.01
Emul Tek Private Limited	0.02	–
Nigachem Nigeria Limited	0.35	2.20
Solar Explochem Zambia Limited	0.17	0.05
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.46	0.10
Solar Mining Services (Pty) Ltd, South Africa	0.19	0.03
Solar Nitro Ghana Limited*	0.13	0.00
Laghe Venture Company Ltd	0.05	0.01
Solar Mining Services Pty Ltd, Australia*	0.04	0.00
Solar Madencilik Hizmetleri Anonim Sirketi	0.13	0.04
Total	**7.43**	**7.63**
Sale of fixed assets		
Emul Tek Private Limited	0.01	–
Blastec (India) Private Limited (Note 39)	–	0.56
Total	**0.01**	**0.56**
Purchase of raw material,components and fixed assets		
Economic Explosives Limited	161.41	139.05
Solar Mining Services Pty Ltd, Australia*	0.00	0.00
Blastec (India) Private Limited (Note 39)	–	1.54
Emul Tek Private Limited	0.77	0.04
Total	**162.18**	**140.63**
Purchase of License		
Economic Explosives Limited	1.95	–
Total	**1.95**	**–**
Other Expenditure		
Solar Synthetics Private Limited	–	0.18
Economic Explosives Limited-Transportation	0.81	0.62
Solar Mining Services Pty Ltd, Australia	0.09	–
Solar Synthetics Private Limited (Rent)	0.03	0.04
Shri Raghav Nuwal	0.03	–
Total	**0.96**	**0.84**
Investment		
Solar Avionics Limited	–	0.05
Total	**–**	**0.05**
Loans given/ (repaid) during the year		
Given		
Economic Explosives Limited	740.00	594.48
Blastec (India) Private Limited (Note 39)	–	14.38
Solar Overseas Mauritius Ltd. Loan	176.51	105.49
Emul Tek Private Limited	28.38	0.43
	944.89	**714.78**
Repaid		
Economic Explosives Limited	(711.84)	(588.58)
Blastec (India) Private Limited (Note 39)	–	(12.41)

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2022	March 31, 2021
Solar Overseas Mauritius Ltd.	(56.68)	(119.00)
Emul Tek Private Limited	(24.94)	(0.58)
	(793.46)	**(720.57)**
Total (net)	**151.43**	**(5.79)**
Interest income		
Economic Explosives Limited	2.81	3.52
Blastec (India) Private Limited (Note 39)	–	1.36
Emul Tek Private Limited	1.86	0.25
Solar Overseas Mauritius Ltd	10.41	10.54
Total	**15.08**	**15.67**
Remuneration to KMP**		
Short-term employee benefits		
Shri S.N. Nuwal	13.20	2.70
Shri K.C. Nuwal (refer note 29E)	–	0.68
Shri Manish Nuwal	6.50	2.70
Shri Suresh Menon	0.60	0.48
Shri Anil Kumar Jain (Retired from the position of Director on Aug 21, 2021)	0.25	0.51
Shri Milind Deshmukh (Appointed as Whole Time Director and KMP on July 29, 2021)	0.28	–
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)	0.04	0.36
Shri Moneesh Agrawal (Appointed as Joint Chief Financial Officer on May 27, 2021)	0.30	–
Smt Shalinee Mandhana ((Appointed as Joint Chief Financial Officer on May 27, 2021)	0.22	–
Smt Khushboo Pasari	0.18	0.12
Total	**21.57**	**7.55**
Sitting fees		
Shri Dilip Patel	0.06	0.04
Shri Ajai Nigam	0.06	0.04
Shri Amrendra Verma	0.09	0.04
Smt Madhu Vij (Cease to be Non Executive Independent Director on Sept 16,2020)	–	0.02
Smt Sujitha Karnad	0.06	0.01
Shri Sunil Shrivastav (Resigned as Non-Executive Independent Director on Jan 13, 2022)	0.04	0.02
Total	**0.31**	**0.17**
Guarantee given on behalf of subsidiary		
Solar Overseas Mauritius Limited (Net)	84.96	146.21
Nigachem Nigeria Ltd.	16.90	–
Solar Nitro Ghana Ltd.	11.37	–
Total	**113.23**	**146.21**

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 Nigachem Nigeria Limited of ₹ 4.52 for March 31, 2022 (previous year ₹ 0.93). 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 29. Related Party Information (Contd..)

* Amount is less than ₹ 0.01 as at March 31, 2022 and March 31, 2021

**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.

D. Balance outstanding at the year end are as follows:

Nature of Transaction	March 31, 2022	March 31, 2021
Loans		
Economic Explosives Limited	39.88	11.71
Blastec (India) Private Limited (Note 39)	–	17.29
Solar Overseas Mauritius Ltd.	223.57	99.82
Emul Tek Private Limited	23.46	2.73
Total	**286.91**	**131.55**
Other Financial Assets (Accrued Interest)		
Economic Explosives Limited	1.01	0.90
Blastec (India) Private Limited (Note 39)	–	0.33
Emul Tek Private Limited	0.46	0.05
Solar Overseas Mauritius Limited	3.42	2.22
Total	**4.89**	**3.50**
Trade receivables/ Other Receivables		
Nigachem Nigeria Limited	20.53	26.96
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	12.78	15.24
Solar Mining Services (Pty) Limited, South Africa	93.13	75.48
Solar Explochem Zambia Limited	0.72	6.35
Emul Tek Private Limited*	0.00	–
Solar Defence Limited*	–	0.00
Solar Defence Systems Limited*	–	0.00
Economic Explosives Limited	3.84	4.67
Solar Mining Services (Pty) Limited, Australia	13.84	14.40
Laghe Venture Company Ltd	1.78	1.62
Solar Overseas Mauritius Ltd	–	0.24
PT. Solar Mining Services	0.34	–
Solar Nitro Chemicals Limited	–	0.01
Solar Nitro Ghana Limited	2.65	5.48
Total	**149.61**	**150.45**
Trade payables/ Other payables		
Economic Explosives Limited	2.83	10.06
Solar Overseas Mauritius Ltd.	0.06	–
Solar Mining Services (Pty) Limited, Australia	0.09	–
Nigachem Nigeria Limited	–	0.63
Solar Synthetics (P) Ltd	0.08	0.02
Shri S.N.Nuwal	5.40	0.75
Shri Manish Nuwal	2.10	0.68
Shri K.C. Nuwal (Note 29 E)	0.13	0.06
Total	**10.69**	**12.20**
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	400.92	388.99
Solar Mining Services (Pty) Limited, South Africa	155.93	150.41
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	75.79	73.11
Nigachem Nigeria Ltd.	16.90	–
Solar Nitro Ghana Ltd.	11.37	–
Total	**660.91**	**612.51**

* Amount is less than ₹ 0.01 as at March 31, 2022 and March 31, 2021

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

E. 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 filling 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 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:

1. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair value measurements

2. The fair values of the quoted investments/ units of mutual fund schemes are based on market price/ net asset value at the reporting date.

3. The 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.

4. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

5. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 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	–	286.92	–
Other financial assets (except derivatives)	143.20	6	–	–	–
Trade receivables	297.75	7	–	–	–
Cash and cash equivalents	23.13	8	–	–	–
Bank balances other than cash and cash equivalents	2.11	8	–	–	–
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted)	17.50	4	–	–	17.50
(includes compulsory convertiable preference shares)					
Fair value through profit and 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	–	118.56	–
Current	36.09	13	–	36.09	–
Trade payables (including Acceptances)	335.35	15	–	–	–
Lease liabilities	1.33	3C	–	–	–
Other financial liabilities (except derivatives)	33.93	16	–	–	–

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair value measurements (Contd..)

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, 2021 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	131.55	5	–	131.55	–
Other financial assets (except derivatives)	114.45	6	–	–	–
Trade receivables	294.80	7	–	–	–
Cash and cash equivalents	45.35	8	–	–	–
Bank balances other than cash and cash equivalents	2.28	8	–	–	–
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.11	4	–	–	0.11
Investment in Venture Capital Fund (unquoted)	0.77	4	–	0.77	–
Fair value through profit & loss					
Derivative Instruments designated as hedge	0.53	6	–	0.53	–
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	74.65	12	–	74.65	–
Current	50.75	13	–	50.75	–
Trade payables (including Acceptances)	187.42	15	–	–	–
Lease liabilities	1.27	3C	–	–	–
Other financial liabilities (except derivatives)	38.88	16	–	–	–
Fair value through Other Comprehensive Income					
Derivative Instruments not designated as hedge	0.10	16	–	0.10	–

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

Risk	Exposure arising from	Measurement	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

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.

Name of the instrument	Currency	March 31, 2022	March 31, 2021
Derivatives designated as hedge			
Interest rate swap*	USD	–	0.00

*Amount is less than USD 0.01 for March 31, 2021

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 0.77 (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 ₹ 0.01

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

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

The Company has borrowings (long term) in foreign currency amounting to ₹ Nil (March 31, 2021: ₹ 13.00). Accordingly, in order to hedge the foreign currency risk on these foreign payables, the Company has taken foreign exchange forward / call spread contracts, which are as follows:

Nominal value of forward contracts & option contracts that hedge monetary labilities 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, 2022	March 31, 2021
Derivatives not designated as hedge			
Forward contract	USD	2.18	–
Call spread	USD	–	0.18

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2022					March 31, 2021				
	USD	SEK	ZAR	GBP	EURO	USD	SEK	ZAR	GBP	EURO
Trade Receivable	100.44	–	92.18	–	–	127.50	–	72.52	–	–
Loans	223.57	–	–	–	–	99.82	–	–	–	–
Other Financial Assets	3.42	–	–	–	–	2.22	–	–	–	–
Capital Creditors	–	0.02	–	–	–	–	0.46	–	0.62	0.10
Trade Payables (including Acceptances)	200.45	0.11	–	–	–	55.69	–	–	–	0.08

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

	March 31, 2022	March 31, 2021
USD	1.27	1.74
SEK *	0.00	0.00
ZAR	0.92	0.73
GBP	–	0.01
EURO *	–	0.00

* 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 32. Financial risk management objectives and policies (Contd..)

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, 2022	193.22	27.50	91.44	312.16
As at March 31, 2021	212.27	15.68	96.62	324.57

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

	March 31, 2022	March 31, 2021
Opening balance	29.77	13.45
Provided during the year	(15.36)	16.32
Closing balance	**14.41**	**29.77**

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

Liquidity risk

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

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

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, 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	–	–	–	–	–	–
March 31, 2021						
Borrowings						
From Banks (net of interest accrued but not due)	–	28.85	21.90	74.65	–	125.40
Trade payables (including Acceptances)	–	148.48	38.94	–	–	187.42
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	20.06	18.76	–	–	38.87
Lease liabilities (Gross)	–	0.17	0.52	0.65	0.10	1.44
Derivative Instruments	–	–	0.10	–	–	0.10

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, 2022	March 31, 2021
Net Debt (see note below)	131.52	80.05
Equity	1,365.59	1,156.81
Capital Employed	**1,497.11**	**1,236.86**
Net Gearing ratio	8.79%	6.47%

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 33. Capital management (Contd..)

Note:-

Calculation of net debt is as follows :

	March 31, 2022	March 31, 2021
Borrowings		
Non-Current	118.56	74.65
Current	36.09	50.75
	154.65	**125.40**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	23.13	45.35
	23.13	**45.35**
Net Debt	**131.52**	**80.05**

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, 2022 and March 31, 2021.

Note 34. Research & Development Expenditure:

Nature	March 31, 2022	March 31, 2021
Revenue Expenditure	1.47	3.56
Total	**1.47**	**3.56**

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 35. Revenue from operations (Contd..)

b. Disaggregated Revenue information

The Company's disaggregate revenue by geographical location.

	March 31, 2022	March 31, 2021
India	2,193.52	1,260.47
Rest of the World	259.06	276.79
Total	**2,452.58**	**1,537.26**

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, 2022.

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, 2022	March 31, 2021
Trade Receivables	297.75	294.80
Contract Liabilities	15.96	12.17

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

	March 31, 2022	March 31, 2021
Revenue as per contracted price	2,487.69	1,571.17
Adjustments for:		
Rebates, Discounts and Powder Factor deductions	(35.11)	(33.91)
Revenue from contract with customers	**2,452.58**	**1,537.26**

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, 2022, the aggregate amount of the transaction price allocated to order backlog was ₹ 2,625.96 The Company expects to recognise revenue within two years.

Note 36. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2022	March 31, 2021	% change	Reason for varaince
Current Ratio	Current Asset	Current Liabilities	1.71	2.01	(14.93%)	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.11	0.11	–	

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 36. Exceptional items (Contd..)

Particulars	Numerator	Demominator	March 31, 2022	March 31, 2021	% change	Reason for varaince
Debt Service Coverage Ratio	Earning available for Debt Service#	Debt Service^	10.23	7.53	35.86%	Ratio has improved on account of increase in EBITDA margin.
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	20.74%	17.36%	19.47%	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	29.88	26.44	13.01%	
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	7.70	5.65	36.28%	Ratio has increased on account of higher sales, and improved realisation.
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payable	7.28	7.27	0.14%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital	7.24	4.90	47.76%	Ratio has increased on accounting of higher sales during the period.
Net Profit Ratio	Net Profit after Tax	Revenue from operation	10.34%	11.93%	(13.33%)	
Return on Capital Employed Ratio	Earning Before Interest and Taxes	Average Capital Employeed*	24.45%	20.16%	21.28%	
Return on Investment Ratio	Non operating income from investment	Average Investment**	5.28%	(2.79%)	289.25%	Return on Investment ratio improved on account of decrease in losses on Investments 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, 2022	March 31, 2021
Principal amount outstanding (whether due or not) to micro and small enterprises	8.35	5.21
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.	–	–

Notes to Standalone Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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

	March 31, 2022	March 31, 2021
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.

Note 38.

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During the year ended March 31, 2022, there is no significant impact on the operations of the Company.The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Note 39. Compliance with approved Scheme(s) of Arrangements

Pursuant to Composite Scheme of Arrangement and Amalgamation ("Scheme") approved under section 230 to 232 with section 66 of Companies Act, 2013 by the Hon'ble National Company Law Tribunal, Mumbai bench, Blastec (India) Private Limited (Transferor, BIPL and Wholly owned subsidiary of the Company) merged with Emul Tek Private Limited (Transferee, ETPL and Wholly owned subsidiary of the Company). The appointed date of the Scheme is April 1, 2021 and the effective date of the Scheme is September 21, 2021. The BIPL reduced the face value of each equity share from ₹ 100 per equity to ₹ 10 per equity by writing-off against retained earnings along with utilisation of securities premium and general reserve. Upon the Scheme becoming effective, the Company, being the shareholder of BIPL has received equity shares of ETPL at par without any further application or deed and issue. The Company has transferred the cost of investment of BIPL of ₹ 5.41 crores to cost of investment in ETPL in the financial statements.

Note 40. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022 [All amounts in ₹ Crores, unless otherwise stated]

Note 40. Other Statutory Information: [Contd.]

(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 41. The financial statements were approved for issue by the Board of Directors on May 03, 2022.

As per our report of even date attached

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number :139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
[Joint CFO]

Shalinee Mandhana
[Joint CFO]

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Consolidated Financial Statements

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 jointly controlled entity comprising of the consolidated Balance sheet as at March 31 2022, 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, 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, and jointly controlled entity as at March 31, 2022, 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 and 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, 2022. 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
Revenue Recognition *(as described in note 2.2(j) of the consolidated financial statements)*	
Revenue from sale of goods is recognized as outlined in note 20 of the consolidated financial statements. 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,	Our audit procedures included, amongst others the following: • 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).

Key audit matters	How our audit addressed the key audit matter
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. As at March 31, 2022, the Holding Company is carrying a powder factor provision of Rs. 24.68 crore. 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.	• 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. • 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 reviewed 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)	
As at March 31, 2022, trade receivables constitutes approximately 14% of total assets of the Group. The Holding Company is required to regularly assess the recoverability of its trade receivables. 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. This is a key audit matter as significant judgement is involved to establish the provision matrix. 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. The auditors of Economic Explosives Limited ('EEL') and Solar Overseas Mauritius Limited ('SOML'), subsidiaries of the Holding Company have also reported key audit matter on the aforesaid topic.	Our audit procedures included, amongst others the following: • 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 reviewed the disclosures made by the Company in the consolidated financial statements. In respect of the key audit matter reported to us by the auditors of EEL and 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Receivables under Package Scheme of Incentives 2007 and 2013(PSI) (as described in note 2.2 (x) of the consolidated financial statements)</td></tr>
<tr><td>The Holding Company was eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002.

From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra, issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Holding Company is accruing incentive @100% of SGST paid by the Company in Maharashtra.

Total outstanding receivable of PSI incentive relating to above as at March 31, 2022 is Rs. 204.68 crore.

This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amount.

The auditors of Economic Explosives Limited ('EEL'), a subsidiary of the Holding Company have also reported key audit matter on the aforesaid topic.</td><td>Our audit procedures included, amongst others the following:

• Read the PSI scheme and evaluated the eligibility of the Holding Company to claim incentives.
• Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Holding Company's eligibility of PSI incentive.
• Evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed.
• Read the correspondences with the government department relating to incentive claims filed by the Holding Company.
• Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables.

In respect of the key audit matter reported to us by the auditors of EEL, 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.</td></tr>
<tr><td colspan="2">Deferred Tax Asset (as described in note 2.2(o) of the consolidated financial statements)</td></tr>
<tr><td>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.

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. 66.92 crore as at March 31, 2022 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.

The ultimate recoverability of the deferred tax asset depends on continued improvements in the profitability of the businesses.

As at March 31, 2022, the Group has an outstanding deferred tax asset balance of Rs. 94.88 crore.

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.</td><td>Our audit procedures included, amongst others the following:

• 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:-
  o 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.
  o Evaluated the progress made by the company in improving the profitability of the business in recent periods.
  o Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a 5 year plan.
  o Assessed the tax rate applied (28%) to the forecast future taxable profits and also the time period over which tax losses can be carried forward.
  o Assessed the performance of the company and the recoverability of losses in the other territories.</td></tr>
</table>

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 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 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 the Group and of its jointly controlled entity 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 jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity 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 jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

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 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 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 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, 2022 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

(a) The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of Rs.1,885.16 crore as at March 31, 2022, and total revenues of Rs. 842.15 crore and net cash outflows of Rs. 30.32 crore for the year ended on that date which have been audited by one of the joint auditors, which 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 joint auditor.

(b) We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose financial statements include total assets of Rs. 1,412.00 crore as at March 31, 2022, and total revenues of Rs 1,335.04 crore and net cash outflows of Rs 30.79 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated 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.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of Rs 568.68 crore as at March 31, 2022, and total revenues of Rs 0.04 crore and net cash outflows of Rs 1.92 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 profit of Rs. Nil for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 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, and a 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, and a 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

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, 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(xxi) of the Order.

2. 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:

   (a) 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;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, 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;

   (d) 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;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 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 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;

   (g) 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, 2022 has been paid / provided by the Holding Company, 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 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 Note 24 to the consolidated financial statements in respect of such items as it relates to the Group, 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 and jointly controlled entity, incorporated in India during the year ended March 31, 2022.

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 respectively 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 person(s) or entity(ies), 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 respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), 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 has been considered reasonable and appropriate in the circumstances performed by us and those 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, 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, jointly controlled entity 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 amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For Akshay Rathi & Associates Chartered Accountants ICAI Firm Reg. number: 139703W	**For S R B C & CO LLP** Chartered Accountants ICAI Firm Reg. number: 324982E/E300003
per Akshay Rathi Proprietor Membership No.: 161910	**per Pramod Kumar Bapna** Partner Membership No.: 105497
UDIN: 22161910AIHZBZ8208	UDIN: 22105497AIHYKN2736
Place: Nagpur **Date:** May 03, 2022	**Place:** Nagpur **Date:** May 03, 2022

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Solar Industries India Limted

(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) There has been no such qualifications or adverse remarks by any auditor in their respective reports, hence the aforesaid clause 3(xxi) is not applicable in the case of the company.

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

per Akshay Rathi
Proprietor
Membership No.: 161910

UDIN: 22161910AIHZBZ8208

Place: Nagpur
Date: May 03, 2022

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497

UDIN: 22105497AIHYKN2736

Place: Nagpur
Date: May 03, 2022

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Solar Industries India Limted

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, 2022, 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"), 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, 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, 2022, 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 the 5 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries in India.

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

per Akshay Rathi
Proprietor
Membership No.: 161910

UDIN:
22161910AIHZBZ8208

Place: Nagpur
Date: May 03, 2022

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497

UDIN:
22105497AIHYKN2736

Place: Nagpur
Date: May 03, 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,416.40	1,216.48
Capital work-in-progress	3A	221.13	282.37
Goodwill	3B	9.89	9.56
Other Intangible assets	3C	40.96	36.49
Intangible assets under development	3C	9.24	10.51
Right-of-use assets	3D	25.48	25.00
Financial assets			
Investments	4	18.22	0.97
Loans	5	15.80	15.25
Other financial assets	6	134.68	90.33
Deferred tax assets (net)	9A	94.88	70.29
Current tax assets (net)		30.45	21.67
Other non-current assets	11	43.31	25.13
Total non-current assets		**2,060.44**	**1,804.05**
Current assets			
Inventories	10	718.87	440.49
Financial assets			
Investments	4	-	-
Trade receivables	7	541.10	455.48
Cash and cash equivalents	8	84.67	169.93
Bank balances other than cash and cash equivalents	8	14.08	11.27
Loans	5	8.23	3.88
Other financial assets	6	93.14	62.76
Other current assets	11	200.86	81.85
Total current assets		**1,660.95**	**1,225.66**
Non-current assets classified as held for sale	3E	2.91	-
Total assets		**3,724.30**	**3,029.71**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	1,896.18	1,561.31
Equity attributable to shareholders		**1,914.28**	**1,579.41**
Non-controlling interests		100.63	62.69
Total equity		**2,014.91**	**1,642.10**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	435.86	433.21
Other financial liabilities	16B	-	1.04
Lease Liabilities	3D	17.51	16.60
Deferred tax liabilities (net)	19	137.14	116.42
Provisions	18	1.00	0.91
Total Non-current liabilities		**591.51**	**568.18**
Current liabilities			
Financial liabilities			
Borrowings	14	430.25	352.93
Trade payables	15	464.94	286.08
Other financial liabilities	16A	52.61	53.22
Lease Liabilities	3D	4.38	4.82
Current tax Libilities (net)		21.91	17.86
Other current liabilities	17	132.33	93.71
Provisions	18	11.46	10.81
Total current liabilities		**1,117.88**	**819.43**
Total liabilities		**1,709.39**	**1,387.61**
Total equity and liabilities		**3,724.30**	**3,029.71**
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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number:
139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Consolidated Statements of Profit and Loss

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	20	3,947.61	2,515.63
Other income	21	19.66	21.42
Total income		**3,967.27**	**2,537.05**
Expenses			
Cost of materials consumed	22A	2,065.53	1,185.08
Purchases of stock-in-trade		301.85	199.37
Changes in inventories of finished goods, work-in-proress and stock-in-trade	22B	(40.05)	(37.68)
Employee benefit expense	23	289.63	230.64
Depreciation and amortization expense	26	109.25	93.53
Other expenses	24	583.39	423.62
Finance costs	25	50.25	45.39
Total expenses		**3,359.85**	**2,139.95**
Profit before Exceptional item & tax		**607.42**	**397.10**
Profit before tax		**607.42**	**397.10**
Tax expense			
- Current tax		163.30	127.50
- Adjustment of tax relating to earlier periods		0.35	(1.18)
- Deferred tax		(11.70)	(17.29)
Total tax expense	19	**151.95**	**109.03**
Profit for the year		**455.47**	**288.07**
Other comprehensive income/(loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurements gain/ (loss) on defined benefit plans		(0.20)	(0.21)
Income tax effect		0.05	0.07
		(0.15)	**(0.14)**
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		5.51	1.03
Income tax effect		(0.19)	(0.15)
Exchange difference on translation of foreign operations		(34.61)	(2.50)
Income tax effect		1.09	(10.75)
		(28.20)	**(12.37)**
Total other comprehensive income/(loss) for the year, net of tax		**(28.35)**	**(12.51)**
Total comprehensive income for the year		**427.12**	**275.56**
Net profit attributable to			
a) Owners of the company		441.28	276.35
b) Non-controlling interest		14.19	11.72
		455.47	**288.07**
Other comprehensive income attributable to			
a) Owners of the company		(43.42)	(11.97)
b) Non-controlling Interest		15.07	(0.54)
		(28.35)	**(12.51)**
Total comprehensive income attributable to			
a) Owners of the company		397.86	264.38
b) Non-controlling Interest		29.26	11.18
		427.12	**275.56**
Earnings per equity share			
Basic and Diluted earnings per share	27	48.77	30.54
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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number:
139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
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DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	**607.42**	**397.10**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortisation expense	109.25	93.53
(Profit) / Loss on Sale / Discard of property, plant and equipment (net)	4.50	(0.65)
Net loss/ (gain) on financial assets measured at fair value through profit or loss	0.24	0.81
Profit on sale of financial assets carried at fair value through profit or loss	(0.41)	(0.58)
Dividend and interest income	(12.76)	(2.81)
Impairment of inventory	0.22	2.28
Impairment (gain)/loss on financial asset	(12.70)	34.25
Finance costs	50.25	45.39
Bad debts written off	1.19	0.28
Impairment (gain)/loss on non current assets	6.80	-
Effect of Exchange Rate Change	15.69	(3.56)
Operating profit before working capital changes	**769.69**	**566.04**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(72.96)	(119.07)
(Increase)/Decrease in inventories	(278.60)	(111.78)
Increase/(Decrease) in trade payables	177.98	131.50
(Increase) /Decrease in other assets	(171.85)	(49.12)
Increase /(Decrease) in other liabilities	33.14	43.20
Cash generated from operations	**457.40**	**460.77**
Less : Income taxes paid	159.60	104.09
Net cash flows from operating activities	**297.80**	**356.68**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(287.44)	(264.96)
Proceeds from sale of property, plant and equipment	6.65	4.16
Advance received against land	3.48	-
Purchase of additional stake in subsidiary	(1.77)	(10.80)
Loans (given) to/ repaid by others-current/non-current	(4.90)	1.92
Proceeds/ (Purchase) from sale of non-current investments	(17.50)	1.09
Proceeds/ (Purchase) from sale of current investments	0.41	0.06
(Investment)/Redemption in fixed deposits	(2.81)	16.31
Dividend and interest income received	0.83	1.48
Net cash flows used in investing activities	**(303.05)**	**(250.74)**
Cash flows from financing activities		
Proceeds from non-current borrowings	197.70	343.16
Repayment of non-current borrowings	(174.68)	(98.84)
Proceeds from/ (Repayment) of current borrowings	42.92	(163.35)
Lease Liabilties	(5.20)	(3.98)
Interest paid	(51.85)	(48.77)
Dividends paid to Non-controlling interest	(54.29)	(54.29)
Net cash flows used in financing activities	**(45.40)**	**(26.07)**
Exchange difference arising on conversion debited to foreign currency translation reserve	**(34.61)**	**(2.50)**
Net increase in cash and cash equivalents	**(85.26)**	**77.37**
Add:-Cash and cash equivalents at the beginning of the year	169.93	92.56
Cash and cash equivalents at end of the year	**84.67**	**169.93**

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Change in liabilities arising from financing activities

	March 31, 2021	Cash flows	Foreign exchange impact	March 31, 2022
Current borrowings	194.02	42.92	-	236.94
Non-current borrowings	592.12	23.02	14.00	629.14
Total liabilities from financing activities	**786.14**	**65.94**	**14.00**	**866.08**

	March 31, 2020	Cash flows	Foreign exchange impact	March 31, 2021
Current borrowings	357.37	(163.35)	-	194.02
Non-current borrowings	350.76	244.32	(2.96)	592.12
Total liabilities from financing activities	**708.13**	**80.97**	**(2.96)**	**786.14**

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

As per our report of even date attached

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number: 139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

	No of Shares	Amount
At April 01, 2020 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 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**

B. Other Equity

	Reserves and surplus							Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Foreign currency translation reserve (Note 12A)			
Balance as at April 01, 2020	149.13	684.23	16.54	652.05	1,501.95	(0.41)	(139.55)	1,361.99	51.51	1,413.50
Total profit for the year	-	276.35	-	-	276.35	-	-	276.35	11.72	288.07
Transfer from retained earnings	-	-	-	75.00	75.00	-	-	75.00	-	75.00
Transfer to General reserve	-	(75.00)	-	-	(75.00)	-	-	(75.00)	-	(75.00)
Other comprehensive income										
Remeasurement loss on defined benefit plans (net of tax)	-	(0.14)	-	-	(0.14)	-	-	(0.14)	-	(0.14)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	0.88	-	0.88	-	0.88
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	(12.68)	(12.68)	(0.54)	(13.22)
Purchase of additional stake in subsidiary	-	(10.80)	-	-	(10.80)	-	-	(10.80)	-	(10.80)
Transactions with owners :										
Dividend paid	-	(54.29)	-	-	(54.29)	-	-	(54.29)	-	(54.29)
Balance as at March 31, 2021	**149.13**	**820.35**	**16.54**	**727.05**	**1,713.07**	**0.47**	**(152.23)**	**1,561.31**	**62.69**	**1,624.00**

	Reserves and surplus							Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Foreign currency translation reserve (Note 12A)			
Balance as at April 01, 2021	149.13	820.35	16.54	727.05	1,713.07	0.47	(152.23)	1,561.31	62.69	1,624.00
Total profit for the year	-	441.28	-	-	441.28	-	-	441.28	14.19	455.47
Transfer from retained earnings	-	-	-	104.01	104.01	-	-	104.01	-	104.01
Transfer to General reserve	-	(104.01)	-	-	(104.01)	-	-	(104.01)	-	(104.01)
Change in non controlling interest on acquisition of additional stake in Solar Mining Services Pty Limited - Australia	-	(8.68)	-	-	(8.68)	-	-	(8.68)	10.45	1.77

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

	Reserves and surplus							Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Foreign currency translation reserve (Note 12A)			
Other comprehensive income										
Remeasurement loss on defined benefit plans (net of tax)	-	(0.15)	-	-	(0.15)	-	-	(0.15)	-	(0.15)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	5.32	-	5.32	-	5.32
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	(48.61)	(48.61)	15.07	(33.54)
Dividend paid	-	(54.29)	-	-	(54.29)	-	-	(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**	**831.06**	**2,091.23**	**5.79**	**(200.84)**	**1,896.18**	**100.63**	**1,996.81**

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

As per our report of even date attached

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number: 139703W

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 Akshay Rathi
Proprietor
Membership No.- 161910

per Pramod Kumar Bapna
Partner
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Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

Place: Nagpur
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Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (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, 2022. 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:

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent 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:

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

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

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

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

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

- 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

Details of group companies included in Consolidated Financial Statements are as under:

		Country	% Equity Interest	
			March 31, 2022	March 31, 2021
A	**Subsidiaries**			
1	**Indian subsidiaries**			
a	Economic Explosives Limited	India	100.00%	100.00%
b	Blastec (India) Private Limited**	India	100.00%	100.00%
c	Emul Tek Private Limited	India	100.00%	100.00%
d	Solar Defence Limited (Note i)	India	100.00%	100.00%
e	Solar Defence Systems Limited (Note - i)	India	100.00%	100.00%
f	Solar Avionics 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	86.74%	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 (Note - i)	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 (Note - i)	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 (note-v)	Burkina Faso	100.00%	-
s	Solar Mining Services Albania (note-vi),	Albania	100.00%	-
B	**Associates**			
a	SMS Bhatgaon Mines Extension Private Limited (Note iii)	India	49.00%	49.00%
b	Solar Bhatgoan Extension Mines Private Limited (Note iv)	India	49.00%	49.00%
C	**Entities with Joint control or significant influence over the entity**			
a	ASTRA Resources Pty Limited	South Africa	49.00%	49.00%

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- Note i: The entity has not commenced its business operations
- Note ii: The entity is under liquidation.
- Note iii: Struck off w.e.f. October 25,2021
- Note iv: Struck off w.e.f. October 29,2021
- Note v: The entity is incorporated on April 06, 2021.
- Note vi: The entity is incorporated on April 22,2021.
- ^ Formerly known as Laghe Venture Company Limited
- * Formerly known as Australian Explosives Technologies Group Pty Limited
- **Blastec (India) Private Limited (Transferor and Wholly owned subsidiary of the Company) merged with Emul Tek Private Limited (Transferee and Wholly owned subsidiary of the Company). The appointed date of the Scheme is April 1, 2021 and the effective date of the Scheme is September 21, 2021.

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

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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.

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
Wind Mill	22	22
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8

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Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Furniture and Fixtures	5 to 10	10
Vehicles (including Pump Trucks)	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

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 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.

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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.
- 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

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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

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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.

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 — 2 to 10 years
- Leasehold Land — 30 to 99 years
- Warehouse — 1 to 5 years
- Vehicle — 2 to 4 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

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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 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 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.

The Group elected to classify irrevocably its non-listed equity investments under this category.

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

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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**

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.

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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/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

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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.

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

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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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements

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(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 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 Group 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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.

<u>Sales/ value added taxes / GST paid on acquisition of assets or on incurring expenses</u>

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

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 Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Group have been identified as the

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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 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

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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.

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Estimates and assumptions

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

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

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for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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 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 Company 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).

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Estimation Uncertainty due to Global Health Pandemic on COVID-19

Refer Note 38 of the Consolidated Financial Statements.

2.3 Changes in accounting standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments :Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

(iii) Ind AS 103: Business combination

(iv) Amendment to Ind AS 103- Business combination, Ind AS 116-COVID-19 related rent concessions, Ind AS 105 - Non-current Assets held for Sale and Discontinued

Operations, Ind AS 16 - Property, Plant and Equipment and Ind AS 28 - Investments in Associates and Joint Ventures.

These amendments had no material impact on the financial statements of the Company

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Note 3A : Property, Plant and Equipment

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year ended March 31, 2021							
Gross carrying amount as at April 01, 2020[1]	150.61	595.80	19.58	554.49	46.53	15.96	1,382.97
Exchange differences	0.33	7.66	(0.84)	(6.39)	1.51	(0.05)	2.22
Additions	0.17	84.22	3.23	52.39	8.12	3.37	151.50
Disposals	-	(0.13)	(0.95)	(4.08)	(1.80)	(0.03)	(6.99)
Other Adjustment	-	-	-	(1.37)	-	-	(1.37)
Closing gross carrying amount as at March 31, 2021	**151.11**	**687.55**	**21.02**	**595.04**	**54.36**	**19.25**	**1,528.33**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2020 [1]	-	73.08	6.28	132.88	16.33	6.99	235.56
Depreciation charge for the year	-	27.82	2.02	42.03	7.30	3.47	82.64
Disposals	-	(0.08)	-	(1.75)	(1.63)	(0.02)	(3.48)
Exchange differences	-	0.44	(0.35)	(2.69)	(0.22)	(0.05)	(2.87)
Closing accumulated depreciation as at March 31, 2021	**-**	**101.26**	**7.95**	**170.47**	**21.78**	**10.39**	**311.85**
Net carrying amount as at March 31, 2021	**151.11**	**586.29**	**13.07**	**424.57**	**32.58**	**8.86**	**1,216.48**
Year ended March 31, 2022							
Gross carrying amount as at April 01, 2021							
Opening gross carrying amount	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 adjustments	-	-	-	(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	-	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**
Capital Work-in-Progress as at March 31, 2022							**221.13**
Capital Work-in-Progress as at March 31, 2021							**282.37**

[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, 2022 was ₹ 1.88 (March 31, 2021: ₹ 4.87). The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.50 % - 6.73%, 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 phiysical verification conducted. During the year ended on March 31, 2022, the loss on such assets is ₹ 3.26 (net) in Building, Furniture & Fixture and Plant & machinary due to wear and tear over a period of time.

Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur pertaining to protected forest land.

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Note 3 A.1 : Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2022

(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	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**

(b) CWIP overdue completion schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	1.17	-	-	-	1.17

B. CWIP ageing as on March 31, 2021

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	189.33	54.27	34.38	3.23	281.21
- Projects temporarily suspended	-	-	1.16	-	1.16
Total	**189.33**	**54.27**	**35.54**	**3.23**	**282.37**

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	-	-	1.16	-	1.16
DAP project	-	-	-	0.02	0.02
Magazine Project	0.76	-	-	-	0.76

Note 3B: Goodwill

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	9.56	9.87
Foreign currency exchange gain/(loss)	0.33	(0.31)
Balance at the end of the year	**9.89**	**9.56**

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'') ₹ 4.53, Solar Mining Services Pty Ltd -Australia ('SMS-Aus') ₹ 3.39 and Solar Venture Company Limited ('SVC') ₹ 0.47 as at March 31, 2022, 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).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill (Contd..)

Key assumptions used for value in use calculation and their sensitivity to changes

1. Sales growth rate
2. 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, 2021 ₹ 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.

Note 3C : Other Intangible Asset and Intangible assets under development

	Software & License	Product Development Cost	Others [2]	Total
Year ended March 31, 2021				
Gross carrying amount				
Gross carrying amount as at April 01, 2020[1]	3.32	11.64	31.20	46.16
Addition	2.24	4.34	2.34	8.92
Gross carrying amount as at March 31, 2021	**5.56**	**15.98**	**33.54**	**55.08**
Accumulated amortisation				
Opening accumulated depreciation as at April 01, 2020 [1]	1.19	3.27	7.33	11.79
Amortisation for the year	0.76	2.61	3.43	6.80
Accumulated amortization as at March 31, 2021	**1.95**	**5.88**	**10.76**	**18.59**
Net carrying amount as at March 31, 2021	**3.61**	**10.10**	**22.78**	**36.49**
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2021	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 amortisation as at April 01, 2021	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**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset and Intangible assets under development (Contd..)

	Software & License	Product Development Cost	Others [2]	Total
Intangible assets under development as at March 31, 2022**				**9.24**
Intangible assets under development as at March 31, 2021				**10.51**

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 and Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for India Armed Forces for limited period of 10 years. Addition to others in current year represents Transfer of Technology of Multi Role Precisison 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, 2022, the loss on such assets is ₹ 0.38 on software and license.

3CA. Intangible Asset Under development(IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2022

(a) IAUD ageing schedule

CWIP	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- 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 ageing as on March 31, 2021

(a) IAUD ageing schedule

CWIP	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	4.99	1.06	4.08	-	10.13
- Projects temporarily suspended	-	0.38	-	-	0.38
Total	**4.99**	**1.44**	**4.08**	**-**	**10.51**

(b) IAUD overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Softwares	0.38	-	-	-	0.38

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 1 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3D Leases (Contd..)

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, 2021						
As at 1 April 2020	2.37	11.88	1.77	-	0.88	16.90
Additions	1.99	5.02	9.16	0.03	3.07	19.27
Foreign exchange adjustments	(0.05)	0.73	(0.07)	(0.00)	(0.38)	0.23
Disposals	(0.41)	(0.58)	(5.81)	-	-	(6.80)
Depreciation	(1.23)	(0.77)	(1.03)	(0.01)	(1.56)	(4.60)
As at 31 March 2021	**2.67**	**16.28**	**4.02**	**0.02**	**2.01**	**25.00**

	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**

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, 2022	March 31, 2021
As at April 01, 2021	**21.42**	**12.70**
Additions	3.69	1.18
Accretion of interest	1.76	1.84
Foreign exchange adjustments	2.03	12.06
Payments	(7.01)	(6.36)
As at March 31, 2022	**21.89**	**21.42**
Current	4.38	4.82
Non-current	17.51	16.60

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 2020-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	5.20	4.60
Interest expense on lease liabilities	1.76	1.84
Expense relating to short-term leases (included in other expenses)	11.96	10.70
Total amount recognised in profit or loss	**18.92**	**17.14**

The Group had total cash outflows for leases of ₹ 20.53 in March 31, 2022 (₹ 17.06 in March 31, 2021).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 3E: Non Current Assets classified as held for sale

	March 31, 2022	March 31, 2021
Freehold Land	2.91	-
Total	**2.91**	**-**

As at March 31, 2022, the Group intends to dispose off freehold land as it has no future plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land held for sale.

Note 4 : Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unquoted					
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Private Limited (struck off w.e.f October 25, 2021)	₹ 10		4,90,000	-	0.49
Solar Bhatgaon Extension Mines Private Limited (struck off w.e.f October 29, 2021)	₹ 10		4,90,000	-	0.49
Impairment in value of Investment					(0.98)
				-	**-**
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	0.11	0.11
Bravo Business Agency SARL	USD 100	20	20	0.01	0.01
				0.12	**0.12**
Investment carried at Fair Value through Other Comprehensive Income					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	-	17.50	**-**
Equity Shares of Skyroot Aerospace Private Limited*	₹ 1	5	-	0.00	-
				17.50	-
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.53	0.77
				0.53	**0.77**
Quoted					
Investment in Mutual Fund (Quoted)					
ICICI Prudential Short Term fund Direct Plan		13,059.21	15,543.43	0.07	0.08
				0.07	**0.08**
Aggregate amount of Investments				**18.22**	**0.97**
Aggregate amount of impairment in value of investments				-	(0.98)

* Amount is less than ₹ 0.01 as at March 31, 2022

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments (Contd..)

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Quoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft Systems Ltd.	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.	₹ 1	5,000	5,000	-	-
Aggregate amount of quoted investments and market value thereof (refer note 33)				-	-

Note 5 : Loans

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 30C)	-	15.80	-	15.25
- Employees	0.95	-	1.31	-
- Others	7.28	-	2.57	-
Total loans	**8.23**	**15.80**	**3.88**	**15.25**

Notes:

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

2. 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, 2022		March 31, 2021	
	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	-	0.53	-
	0.82	**-**	**0.53**	**-**
Derivative Instruments at fair value through OCI				
Interest rate swaps (refer note 32)	5.92	-	0.51	-
	5.92	**-**	**0.51**	**-**
Others				
State Government Incentive Receivables	64.71	124.33	59.96	81.81
Other receivables	7.99	-	-	-
Other deposits	-	0.38	-	0.33
Security Deposits and Earnest Money Deposits	13.49	5.94	0.29	5.45

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 6 : Other financial assets (Contd..)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Interest accrued from Others	0.03	-	0.08	-
Interest accrued from related party (refer note 30C)	-	4.03	-	2.74
Interest accrued but not due on fixed deposit	0.18	-	0.17	-
Others	-	-	1.22	-
	86.40	**134.68**	**61.72**	**90.33**
	93.14	**134.68**	**62.76**	**90.33**

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.

Note 7 : Trade receivables

	March 31, 2022	March 31, 2021
Trade receivables	599.32	525.06
Less: Impairment allowance	(58.22)	(69.58)
	541.10	**455.48**

Break-up of security details

	March 31, 2022	March 31, 2021
Secured, considered good	36.76	6.37
Unsecured considered good	535.83	473.95
Trade Receivables which have significant increase in credit Risk	6.56	0.02
Trade Receivables - credit impaired	20.17	44.72
	599.32	**525.06**
Impairment allowance		
Unsecured, considered good	(31.49)	(24.84)
Trade Receivables which have significant increase in credit Risk	(6.56)	(0.02)
Trade Receivables - credit impaired	(20.17)	(44.72)
	(58.22)	**(69.58)**
	541.10	**455.48**

TRADE RECEIVABLE

	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	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables (Contd..)

TRADE RECEIVABLE (Contd..)

	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
(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

	Not Due	Outstanding for following periods from due date of payment - March 31, 2021					
		< 6 month	6 month - 1 Year	1-2 Years	2-3 Years	>3 years	Total
(i) Undisputed Trade receivables - considered good	248.74	172.69	35.66	14.98	7.80	-	479.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.97	0.39	10.73	9.47	17.12	38.68
(iv)Disputed Trade receivables - considered good	-	-	-	0.26	0.19	-	0.45
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.02	-	-	-	0.02
(vi)Disputed Trade Receivables – credit impaired	-	-	0.26	4.44	1.34	-	6.04
Total	**248.74**	**173.66**	**36.33**	**30.41**	**18.80**	**17.12**	**525.06**

Notes:

1. 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.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
3. 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, 2022	March 31, 2021
As at April 1	69.58	38.57
Provision for expected credit losses	(12.70)	34.25
Currency translation difference	1.34	(3.24)
As at March 31	**58.22**	**69.58**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 8. Cash and Bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks		
in current accounts	82.37	169.06
Deposit with Bank	0.91	0.05
Funds in transit #	1.00	-
Cash in hand	0.39	0.82
	84.67	**169.93**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	4.65	4.74
Balances with Bank held as margin money against bank guarantee & other commitments	9.38	6.48
Earmarked balances with banks*	0.05	0.05
	14.08	**11.27**
Total cash and bank balances	**98.75**	**181.20**

*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, 2022	March 31, 2021
Allowance for doubtful debts - trade receivables	2.01	2.04
MAT credit	0.46	0.46
Property, plant and equipments	(0.34)	2.17
Tax Losses	81.35	57.63
Right to use of assets and lease liabilities	(0.81)	4.16
Employee benefit obligations	(0.05)	0.33
Other *	12.26	3.50
	94.88	**70.29**

* Includes deferred tax on stock reserve elimination

Reconciliation of deferred tax assets:

	March 31, 2022	March 31, 2021
Opening balance	70.29	51.53
Tax income/(expense) during the period recognised in statement of profit or loss	24.59	18.76
Closing balance	**94.88**	**70.29**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 10: Inventories

	March 31, 2022	March 31, 2021
Raw materials and packing materials (Includes stock in transit of ₹ 91.48 (March 31, 2021 : ₹. 69.93)	461.39	240.72
Work-in-progress (includes in transit of ₹ 2.91 (March 31, 2021 : ₹ Nil)	45.57	31.47
Finished goods (Includes stock in transit of ₹ 6.19 (March 31, 2021 : ₹ 8.38)	60.35	62.25
Stock-in-trade (Includes stock in transit of ₹ 29.10 (March 31, 2021 : ₹ 10.12)	121.50	88.85
Stores and spares (Includes stock in transit of ₹ 0.42 (March 31, 2021 : ₹ 0.59))	23.93	16.42
Project inventory-in-progress	6.13	0.78
	718.87	**440.49**

Value of inventories above is stated after provision of ₹ 5.79 (previous year ₹ 2.28) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11: Other assets

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	-	43.11	-	15.84
Prepayments	19.89	-	20.82	-
Advances to suppliers for goods & services	123.42	-	32.33	0.13
Advances to staff	1.73	-	0.83	-
Balances with revenue authorities	55.41	0.20	25.71	9.16
Other receivables	0.41	-	2.16	-
	200.86	**43.31**	**81.85**	**25.13**

Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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**

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2020	9,04,90,055	18.10
As at March 31, 2021	**9,04,90,055**	**18.10**
As at March 31, 2022	**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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

(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

	Number of Shares		Amount	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Shri Manish Nuwal	38.93%	27.88%	3,52,32,069	2,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
SBI Focused Equity Fund	7.05%	7.37%	63,75,788	66,68,863
Smt Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Shri Satyanarayan Nuwal	3.58%	14.63%	32,38,254	1,32,38,254

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, 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**		

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

(e) Details of Shares held by promoters :- (Contd..)

As at March 31, 2021

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	-	2,52,32,069	27.88%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	1,32,38,254	-	1,32,38,254	14.63%	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**		

Note 12A. Other equity

Securities premium	
As at April 01, 2020	**149.13**
Movement for the year 2020-21	-
As at March 31, 2021	**149.13**
Movement for the year 2021-22	-
As at March 31, 2022	**149.13**

Retained earnings	
As at April 01, 2020	**684.23**
Add : Profit for the year	276.35
Less : Transfer to general reserve	(75.00)
Less : Remeasurement loss on defined benefit plans	(0.14)
Less : Purchase of additional stake in subsidiary	(10.80)
Less : Final Dividend	(54.29)
As at March 31, 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**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

Note 12A. Other equity (Contd..)

Capital reserve	
As at April 01, 2020	**16.54**
Movement for the year 2020-21	-
As at March 31, 2021	**16.54**
Movement for the year 2021-22	-
As at March 31, 2022	**16.54**

General reserve	
As at April 01, 2020	**652.05**
Add : Transfer from retained earnings	75.00
As at March 31, 2021	**727.05**
Add : Transfer from retained earnings	104.01
As at March 31, 2022	**831.06**

Cash flow hedge reserve	
As at April 01, 2020	**(0.41)**
Add : Net movement in Cash Flow Hedges	0.88
As at March 31, 2021	**0.47**
Add : Net movement in Cash Flow Hedges	5.32
As at March 31, 2022	**5.79**

Foreign currency translation reserve	
As at April 01, 2020	**(139.55)**
Add : Exchange differences on translation of foreign operations	(12.68)
As at March 31, 2021	**(152.23)**
Add : Exchange differences on translation of foreign operations	(48.61)
As at March 31, 2022	**(200.84)**

Total other equity	
As at April 01, 2020	**1,361.99**
Movement for the year 2020-21	199.32
As at March 31, 2021	**1,561.31**
Movement for the year 2021-22	334.87
As at March 31, 2022	**1,896.18**

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, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

Note 12A. Other equity (Contd..)

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.

12B. Distribution made and proposed

	March 31, 2022	March 31, 2021
Cash dividends on equity shares declared:		
Final dividend for the year ended on March 31, 2021: ₹ 6 per share (March 31, 2020 : ₹ 6 per share)	54.29	54.29
	54.29	**54.29**
Proposed dividends on Equity shares *		
Final cash 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 are subject to approval at the annual general meeting and are not recognised as a liability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 13. Non-current borrowings

	March 31, 2022	March 31, 2021
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	-	13.00
Term loan	594.85	550.15
Sales tax deferral loan	0.13	0.23
Unsecured		
Deferred Purchase Consideration	25.11	27.63
From Others		
Foreign currency loan	12.86	4.17
	632.95	**595.18**
Less:		
Current maturities of long-term debt (refer note 14)	(193.28)	(158.91)
Interest accrued but not due on non-current borrowings (refer note 16A)	(3.81)	(3.06)
	435.86	**433.21**

Note 14: Current borrowings

	March 31, 2022	March 31, 2021
Secured at amortised cost		
From banks		
Foreign currency working capital loan	34.97	5.52
Working capital loan	201.84	168.46
Current maturities of long-term debt (refer note 13)	193.44	158.95
Unsecured		
From banks		
Working capital loan	-	20.00
From others		
Foreign currency loan	0.26	0.24
	430.51	**353.17**
Less:		
Interest accrued but not due on current borrowings (refer note 16A)	(0.26)	(0.24)
	430.25	**352.93**

The Indian rupee working capital loan from Bank carries rate of 4.00 to 4.25%

Loans taken by overseas subsidiaries are taken at interest rate of LIBOR+125bps to LIBOR+700bps and certain loans are from 8.75% to 18.50% and a loan is at 3 month JIBAR+290bps

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, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of Non current Borrowing

	Maturity date	Terms of repayment	March 31, 2022	March 31, 2021
Secured				
Foreign currency term loan from Bank	August 31, 2021	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	-	13.00
Rupee Term Loan from Bank	September 13, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	41.67	50.00
Rupee Term Loan from Bank	August 31, 2025	Repayable in twenty quarterly instalments	32.98	42.40
Rupee Term Loan from Bank	September 26, 2026	Repayable in sixteen quarterly installment starting after moratorium period of 12 months	80.00	-
Indian rupee term loan	December 17, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	45.83	50.00
Indian rupee term loan	August 01, 2021	Repayable in eight quarterly installment starting after moratorium period of 12 months	-	25.00
Indian rupee term loan	December 21, 2023	Repayables in eight equal quarterly installment after 1 year moratorium	35.01	32.91
Indian rupee term loan	May 31, 2026	Repayables in forty eight equal monthly installment after 1 year moratorium	25.00	-
Local currency loan (South African Rand)	June 12, 2021	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	-	32.60
Local currency loan (South African Rand)	March 03, 2025	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	38.98	12.27
Local currency loan (Turkish Lira)	February 20, 2022	Single repayment at the end of the term	-	3.18
Local currency loan (USD)	March 15, 2026	10 six monthly installments commencing from September 15, 2021	212.45	204.81
Local currency loan (USD)	June 9, 2024	3 Annual installments tranche wise commencing from October 2021	81.59	95.95
Unsecured				
Deferred purchase consideration	November 01, 2027	Quarterly payments commencing from April 2018 for 10 years	25.12	27.63
Others	Mutual consent	Mutual consent	12.86	4.17
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.13	0.23
			631.62	**594.15**
Interest accrued but not due			1.33	1.03
			632.95	**595.18**

The above foreign currency term loan from Banks carries an interest rate of LIBOR+ 100 bps to 212 bps

The Indian rupee long term from bank carries an interest rate of 1 year MCLR

The Indian rupee long term from bank are linked to repo rate with a spread of 140 to 300 BPS and at the rate of 5.50%.

Loan taken by overseas subsidiaries are taken at interest rate of 3 month LIBOR+250 bps to 9.5%, some loans are taken at 3 month JIBAR+340bps to 3 month JIBAR+365bps

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Trade payables

	March 31, 2022	March 31, 2021
Current		
Trade payables *	265.31	231.01
Acceptances #	199.55	55.05
Trade payables to related parties (refer note 30C)	0.08	0.02
Total Trade payables	**464.94**	**286.08**

Break up of trade payables

	March 31, 2022	March 31, 2021
Trade Payables other than related parties (including acceptances)	464.86	286.06
Trade payables to related parties (refer note 30C)	0.08	0.02
	464.94	**286.08**

	Unbilled	Not due	Outstanding for following periods from due date of payment for 31st March 2022				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	1.40	381.44	80.46	1.64	-	-	464.94

	Unbilled	Not Due	Outstanding for following periods from due date of payment for 31st March 2021				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	0.48	226.51	58.99	0.08	0.02	-	286.08

Notes:

1. *Trade payables are non-interest bearing and are normally settled within 0 to 60 days term.
2. For terms and conditions with related parties, refer note 30C
3. For explanations on the Company's credit risk management processes, refer note 33
4. # 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 six months to one year.

Note 16A : Other current financial liabilities

	March 31, 2022	March 31, 2021
Derivative Instruments at fair value through OCI		
Fair valuation of derivative contracts (refer note 32)	-	0.10
	-	**0.10**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 13)	3.81	3.06
Interest accrued on current borrowings (refer note 14)	0.26	0.24
	4.07	**3.30**
Others		
Capital creditors	9.96	10.67
Employees related payable (including labour related)	32.94	25.22
Liabilities towards trade discounts	5.59	13.86

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 16A : Other current financial liabilities (Contd..)

	March 31, 2022	March 31, 2021
Unclaimed dividend	0.05	0.05
Other payable	-	0.02
	48.54	**49.82**
	52.61	**53.22**

Note 16B : Other non-current financial liabilities

	March 31, 2022	March 31, 2021
Capital creditors	-	1.04
	-	**1.04**

Note 17: Other current liabilities

	March 31, 2022	March 31, 2021
Statutory dues payables	39.17	21.09
Contract liabilities	87.74	72.17
Other current liabilities	1.94	0.45
Other advances	3.48	-
	132.33	**93.71**

Note 18 : Provisions

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity	2.57	1.00	2.66	0.91
Provision for leave encashment	8.89	-	8.15	-
	11.46	**1.00**	**10.81**	**0.91**

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2022 and March 31, 2021 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	163.30	127.50
Adjustment of tax relating to earlier periods	0.35	(1.18)
Deferred tax:		
Relating to origination and reversal of temporary differences	(11.70)	(17.29)
Tax expense reported in the statement of profit and loss	**151.95**	**109.03**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

OCI section

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

	March 31, 2022	March 31, 2021
Net gain/(loss) on cash flow hedges	0.19	0.15
Net (loss)/gain on remeasurements of defined benefit plans	(0.05)	(0.07)
Exchange difference on translation of foreign operations	(1.09)	10.75
Income tax charged to OCI	**(0.95)**	**10.83**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Accounting profit before tax	607.42	397.10
Computed expected tax expense @ standard tax rate in India	153.35	103.94
Effect of:		
Corporate social responsibility expenditure and donation	4.96	3.35
Tax incentives	2.40	(3.07)
Leases	-	0.24
Income tax for earlier years	0.35	(1.18)
Tax loss on which deferred tax not recognised	(2.12)	3.48
Effect of permanent differences between book base and tax base	(3.93)	2.93
Relating to Change in tax rate	(9.41)	(1.27)
Others	6.35	0.61
Total income tax expense	**151.95**	**109.03**

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

	March 31, 2022	March 31, 2021
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	150.81	139.46
Cash flow hedges	0.03	-
Currency translation losses	-	4.56
Leases	0.20	4.98
Derivative Instruments at fair value through profit or loss	0.21	0.12
	151.25	**149.12**
Deferred tax Assets		
Unclaimed tax credit	-	(9.81)
Financial assets at fair value through profit or loss	(0.13)	(0.11)
Provision towards trade receivables	(4.39)	(8.57)
Set off of deferred tax liabilities	-	(9.67)
Provision for advances w/off	(0.04)	(0.04)
Provision for write down to net realizable value of inventory	(1.01)	-
Provision for discounting of non current ssset	(4.98)	(3.50)
Provision on custom duty and statutory dues	(2.37)	-
Employee benefits	(1.36)	(1.00)
Other	0.17	-
	(14.11)	**(32.70)**
Net deferred tax (assets)/liabilities	**137.14**	**116.42**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

Reconciliation of deferred tax liability:

	March 31, 2022	March 31, 2021
Opening balance	116.42	104.86
Tax (income)/expense during the period recognised in statement of profit or loss	9.84	3.49
Tax (income)/expense during the period recognised in other comprehensive income	1.07	0.97
Utilisation of unused tax credit	9.81	7.10
Closing balance	**137.14**	**116.42**

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, 2022	March 31, 2021
Sale of products (Refer note 36)	3,828.51	2,441.92
Other operating revenue*	119.10	73.71
	3,947.61	**2,515.63**

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 ₹ 106.28 (previous year ₹ 60.05) and reimbursement of provident fund under Package Scheme of Incentives of ₹ Nil (previous year ₹ 1.07)

Note 21 : Other income

	March 31, 2022	March 31, 2021
Interest income		
On financial assets carried at amortised cost		
from others	12.15	1.75
On deposits with bank	0.61	0.98
Profit on sale of investments carried at fair value through profit or loss	0.41	0.58
Dividend income from equity investments designated at fair value through Profit and loss	-	0.08
Net gain on disposal of property, plant and equipment	-	0.65
Net gain on foreign currency transaction and translation	-	9.01
Bad Debts recovered	-	1.96
Miscellaneous income	6.49	6.41
	19.66	**21.42**

Note 22A : Cost of materials consumed

	March 31, 2022	March 31, 2021
Raw materials and packing material at the beginning of the year	240.72	163.21
Add: Purchases during the year	2,286.20	1,262.59
Less: Raw material and packing material at the end of the year	(461.39)	(240.72)
	2,065.53	**1,185.08**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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

	March 31, 2022	March 31, 2021
Opening balance		
Work-in progress	31.47	27.24
Finished goods	65.83	50.29
Stock in trade	88.85	70.94
	186.15	**148.47**
Closing balance		
Work-in progress	45.57	31.47
Finished goods	59.13	65.83
Stock in trade	121.50	88.85
	226.20	**186.15**
	(40.05)	**(37.68)**

Note 23 : Employee benefit expense

	March 31, 2022	March 31, 2021
Salaries and wages (including bonus)	172.18	147.40
Remuneration to directors	22.16	8.67
Contribution to provident and other funds	13.01	8.83
Staff welfare expenses	7.17	5.48
Total - A	**214.52**	**170.38**
Labour charges (including bonus)	75.11	60.26
Total - B	**75.11**	**60.26**
Total expense (A+B)	**289.63**	**230.64**

Note 24 : Other expenses

	March 31, 2022	March 31, 2021
Consumption of stores and spares	17.20	13.35
Repairs and maintenance :		
Plant and machinery	11.56	7.52
Buildings	6.21	4.04
Others	12.15	10.65
Water and electricity charges	42.59	32.12
Rates and taxes	7.49	8.09
Legal and professional fees	32.26	22.10
Travelling and conveyance	14.98	11.08
Sales commission expenses	28.52	15.28
Freight and forwarding charges	160.21	117.80
Transportation charges	39.26	27.76
Pump truck expenses	16.31	9.12
Security service charges	11.03	8.57
Sales promotion expenses	12.81	8.20
Testing charges	4.02	4.12
Donations	13.52	12.21
Insurance	14.60	9.92
Advertisement expenses	23.68	14.50
Impairment of Inventory	0.22	2.28
Director's sitting fees	0.41	0.22
Exchange differences (net)	46.19	-
Impairment loss on property plant & equipment	3.64	-
Bad debts written-off	1.19	0.28

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses (Contd..)

	March 31, 2022	March 31, 2021
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.24	0.81
Impairment loss/(gain) on financial assets	(12.70)	34.25
Corporate social responsibility expenditure	7.37	6.61
Consultancy charges	2.84	1.97
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.)	64.73	40.77
	583.39	**423.62**

Notes 25 : Finance costs

	March 31, 2022	March 31, 2021
Interest on borrowings*		
To banks#	43.88	37.34
Other Interest	4.61	6.21
Interest on lease liabilities	1.76	1.84
	50.25	**45.39**

*Net of borrowing cost capitalised (refer note 3A)

Includes relating hedge cost

Note 26 : Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant & equipments (refer note 3A)	96.07	82.30
Depreciation - Right-of-use Asset (refer note 3D)	5.20	4.60
Amortization of intangible assets (refer note 3C)	8.04	6.79
Less : Transfer to intangible asset under development	(0.06)	(0.16)
	109.25	**93.53**

Note 27 : Earnings per share (EPS)

	March 31, 2022	March 31, 2021
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS	441.28	276.35
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 (₹)	**48.77**	**30.54**
Nominal value of shares (₹)	**2.00**	**2.00**

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

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, 2022	March 31, 2021
Net Service cost	2.20	1.46
Net interest cost	(0.03)	0.06
	2.17	**1.52**

Other Comprehensive Income

	March 31, 2022	March 31, 2021
Opening balance recognized in OCI	-	-
Actuarial gain / (loss) on liabilities	(0.23)	(0.30)
Actuarial gain / (loss) on assets	0.05	0.10
Closing balance recognized in OCI	**(0.18)**	**(0.20)**

The amount recognized in Balance Sheet

	March 31, 2022	March 31, 2021
Present value of funded obligations	23.11	20.22
Fair value of plan assets	22.28	17.65
Net defined benefit liability / (assets) recognized in balance sheet*	**0.83**	**2.57**

*Amount is including ₹ 3.41 cr (previous year ₹ 1 cr) prepayment made by Solar Industries India Ltd.

Change in Present Value of Obligations

	March 31, 2022	March 31, 2021
Opening of defined benefit obligations	20.22	17.70
Service cost	2.20	1.84
Interest Cost	1.09	0.90
Benefit Paid	(0.65)	(0.52)
Actuarial (Gain)/Loss on total liabilities	0.25	0.30
Closing of defined benefit obligation	**23.11**	**20.22**

Change in Fair Value of Plan Assets

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	17.65	14.16
Actual Return on Plan Assets	1.17	0.94
Employer Contribution	4.11	3.07
Benefit Paid	(0.65)	(0.52)
Closing fair value of plan assets	**22.28**	**17.65**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: 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, 2022	March 31, 2021
Investments with insurer (LIC)	78%	81%
Investments with insurer (ICICI)	22%	19%

The significant actuarial assumptions were as follows :

	March 31, 2022	March 31, 2021
Discount Rate	6.81% to 6.92% p.a.	6.25% to 6.53% p.a.
Rate of increase in Compensation levels	5.50% to 10.70% p.a.	5.00% p.a.
Rate of Return on Plan Assets	6.25% to 6.53% p.a.	5.66% to 6.65% 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.

Acturial asumptions

The expected contribution for definded benefit plan for the next financial year will be in line with financial year 2021-22.

Sensitivity Analysis

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

	March 31, 2022	Impact (Absolute)	Impact (%)
Base Liability	23.11		
Increase Discount Rate by 0.50%	22.52	(0.59)	(2.55%)
Decrease Discount Rate by 0.50%	23.71	0.60	2.58%
Increase Salary Inflation by 1%	24.31	1.20	5.17%
Decrease Salary Inflation by 1%	22.00	(1.11)	(4.78%)
Increase in Withdrawal Assumption by 5%	22.05	(1.06)	(4.57%)
Decrease in Withdrawal Assumption by 5%	24.75	1.64	7.08%

Notes :

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

Note 29 : Commitments and contingencies

Capital Commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	44.66	44.94

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies (Contd..)

Contingent liabilities

	March 31, 2022	March 31, 2021
Claims against the Group not acknowledged as debts (refer note a)		
Excise related matters	6.95	6.35
Sales tax / VAT related matters	1.18	3.55
Provident Fund related matter	-	0.15
Income Tax matter	0.11	-
Advance License Import and Export obligation	0.29	0.37

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 10 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2022	March 31, 2021
Lease payments recognised during the year	6.96	5.82
Within one year	4.61	4.90
Later than one year but not later than five years	17.83	16.58
More than five years	0.05	0.10

Note 30: Related Party Disclosures

A Names of related parties and related party relationship :

I Associates

SMS Bhatgaon Mines Extension Private Limited (struck off w.e.f October 25, 2021)

Solar Bhatgoan Extension Mines Private Limited (struck off w.e.f October 29, 2021)

II Entities with Joint control or significant influence over the entity

ASTRA Resources Pty Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

III Key Management Personnel (KMP) (Holding Company)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director of the Company w.e.f. July 29, 2021)

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)

Smt Shalinee Mandhana (Appointed as Joint Chief Financial Officer on May 27, 2021)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III A Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Smt Seemadevi Nuwal

IV Non Executive Independent Directors**

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Shri Sunil Srivastav (Ceased to be a Non-Executive Independent Director w.e.f.January 13, 2022)

Smt Sujitha Karnad

**Non Executive Independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2021-22

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 Enterprises, over which control or significant influence is exercised by individuals listed in 'III' above (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, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

B. Transactions with related parties during the year

Nature of Transaction	March 31, 2022	March 31, 2021
Purchase of raw material and components		
Solar Synthetics Private Limited	-	0.03
Total	**-**	**0.03**
Other Expenditure		
Solar Synthetics Private Limited	-	0.18
Total	**-**	**0.18**
Rent paid		
Solar Synthetics Private Limited	0.03	0.04
Shri Raghav Nuwal	0.03	-
Total	**0.06**	**0.04**
Interest Income		
ASTRA Resources Pty Limited	1.17	1.17
Total	**1.17**	**1.17**
Remuneration to KMP #		
Shri Satyanarayan Nuwal	13.20	2.70
Shri Kailashchandra Nuwal (refer note 30D)	-	0.68
Shri Manish Nuwal	6.50	2.70
Shri Suresh Menon	1.09	0.96
Shri Anil Kumar Jain (Retired from the position of Director on Aug 21, 2021)	0.25	0.51
Shri Milind Deshmukh (Appointed as Whole Time Director and KMP on July 29, 2021)	0.55	-
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)	0.04	0.36
Shri Moneesh Agrawal (Appointed as Joint Chief Financial Officer on May 27, 2021)	0.30	-
Smt Shalinee Mandhana (Appointed as Joint Chief Financial Officer on May 27, 2021)	0.22	-
Smt Khushboo Pasari	0.18	0.12
Total	**22.33**	**8.03**

Nature of Transaction	March 31, 2022	March 31, 2021
Sitting fees		
Shri Dilip Patel	0.09	0.05
Shri Ajai Nigam	0.08	0.05
Shri Amrendra Verma	0.12	0.05
Smt Madhu Vij (Cease to be Non executive Independent Director on Sept 16,2020)	-	0.02
Smt Sujitha Karnad	0.06	0.01
Shri Sunil Shrivastav (Resigned as Non-Executive Indpendaent Director on Jan 13, 2022)	0.04	0.02
Total	**0.39**	**0.20**

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, 2022, the Group has not recorded any impairment of receivables relating

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

B. Transactions with related parties during the year (Contd..)

Terms and conditions of transactions with related parties (Contd..)

to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

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

	March 31, 2022	March 31, 2021
Loans Given		
ASTRA Resources Pty Limited	15.80	15.25
Total	**15.80**	**15.25**
Other financial assets (Accrued interest)		
ASTRA Resources Pty Limited	4.03	2.74
	4.03	2.74
Other payables		
Solar Synthetics Private Limited	0.08	0.02
Shri Satyanarayan Nuwal	5.40	0.75
Shri Manish Nuwal	2.10	0.68
Shri Kailashchandra Nuwal (Refer Note number 30D)	0.13	0.06
Total	**7.71**	**1.51**

D. 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 filling 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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, 2022	March 31, 2021
India	2,387.42	1,329.19
Outside India	1,441.09	1,112.73
Total	**3,828.51**	**2,441.92**

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, 2022	March 31, 2021
India	1,348.18	1,218.87
Outside India	418.22	386.67
Total	**1,766.40**	**1,605.54**

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, 2022 is ₹ 678.02 (March 31, 2021 is ₹ 408.63)

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:

1. The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives) , trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

3. The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

4. The fair values for loans given are calculated based on discounted cash flows discounted using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

5. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 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	-	24.03	-
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	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**	**31.30**	**17.62**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (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 Liabilities					
Amortised cost					
Borrowings					
Non-current	435.86	13	-	435.86	-
Current	430.25	14	-	430.25	-
Trade Payables(including Acceptance)	464.94	15	-	-	-
Lease Liabilities	21.89	3D	-	-	-
Other financial liabilities (except derivatives)	52.61	16	-	-	-
Total Financial liabilities	**1,405.55**		**-**	**866.11**	**-**

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, 2021 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	19.13	5	-	19.13	-
Other financial assets (except derivatives)	152.06	6	-	-	-
Trade receivables	455.48	7	-	-	-
Cash and cash equivalents	169.93	8	-	-	-
Bank balances other than cash and cash equivalents	11.27	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)	0.77	4	-	0.77	-
Investment in mutual funds (quoted)	0.08	4	0.08	-	-
Fair value through profit and loss					
Derivative Instruments	0.53	6	-	0.53	-
Fair value through other comprehensive income					
Derivative Instruments	0.51	6	-	0.51	-
Total Financial assets	**809.88**		**0.08**	**20.94**	**0.12**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	433.21	13	-	433.21	-
Current	352.93	14	-	352.93	-
Trade Payables(including Acceptance)	286.08	15	-	-	-
Lease Liabilities	21.42	3D	-	-	-

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Note 32: Fair Value Measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Other financial liabilities (except derivatives)	54.16	16	-	-	-
Fair value through profit and loss					
Derivative Instruments not designated as hedge	0.10	16	-	0.10	-
Total Financial liabilities	**1,147.90**		**-**	**786.24**	**-**

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

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Deposits	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 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

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 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.

	Currency	March 31, 2022	March 31, 2021
Derivatives designated as hedge			
Interest rate swap	USD	-	0.01

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 3.15 (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 ₹ 0.05.

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.

Unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Group has borrowings in foreign currency amounting to ₹ 48.09 (March 31, 2021: ₹ 22.93). 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 labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

	Currency	March 31, 2022	March 31, 2021
Derivatives not designated as hedge			
Forward contract	USD	2.18	-
Call spread	USD	-	0.18

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2022				March 31, 2021			
	USD	SEK	EURO	GBP	USD	SEK	EURO	GBP
Trade Receivable	313.05	-	-	-	177.85	-	-	-
Loans and other receivable	20.31	-	-	-	22.65	-	-	-
Cash and Cash equivalents	17.79	-	-	-	20.63	-	-	-
Borrowings	122.33	-	-	-	299.62	-	-	-
Capital Creditors	-	0.02	-	-	-	0.46	0.10	0.62
Trade Payables(including Acceptance)	245.80	0.11	-	-	56.99	-	0.08	-

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

	March 31, 2022	March 31, 2021
USD	(0.17)	(1.35)
GBP	-	(0.01)
EURO*	-	0.00
SEK*	(0.00)	(0.00)

* Amount is less than SEK/EURO 0.01 for March 31 2022 and March 31 2021

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, 2022	March 31, 2021
Investment in mutual funds	0.07	0.08

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 ₹ 0.00* (March 31, 2021: ₹ 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Credit Risk (Contd..)

Loans: The Group has given loans to subsidiaries and 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:

	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2022	487.68	37.88	73.76	599.32
As at March 31, 2021	315.64	74.74	134.66	525.04

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

	March 31, 2022	March 31, 2021
Opening balance	69.58	38.57
Provided/(reversal) during the year	(12.70)	34.25
Currency translation difference	1.34	(3.24)
Closing balance	**58.22**	**69.58**

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, 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**

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Maturity profile of financial liabilities (Contd..)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2021						
Borrowings						
From Banks	22.15	65.18	260.90	405.64	-	**753.87**
From Others	0.02	0.04	0.41	3.94	-	**4.41**
Deferred Purchase Consideration (Gross)	-	1.08	2.54	24.00	-	**27.62**
Sales Tax Deferral Loan	-	0.10	-	0.13	-	**0.23**
Trade Payables(including Acceptance)	1.73	190.41	93.74	0.20	-	**286.08**
Other financial liabilities (excluding derivatives and lease liabilities)	0.24	28.93	24.51	0.48	-	**54.16**
Derivative Instruments	-	-	0.10	-		**0.10**
Lease Liability(Gross)	-	-	4.90	16.68	24.96	**46.54**

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, 2022	March 31, 2021
Net debt	776.79	611.47
Equity	1,914.28	1,579.41
Capital and net debt	**2,691.07**	**2,190.88**
Net Gearing ratio	**28.87%**	**27.91%**

Calculation of net debt is as follows:

	March 31, 2022	March 31, 2021
Borrowings		
Non-Current	435.86	433.21
Current	236.97	194.02
Current maturities of long-term debt	193.28	158.91
	866.11	**786.14**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	89.32	174.67
	89.32	**174.67**
Net Debt	**776.79**	**611.47**

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, 2022 and March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

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 other comprehensive Income		Share in 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	4	5	6	7	8	9
(A) Solar Industries India Ltd.	47.84%	1,365.59	57.54%	261.52	0.34%	1.55	57.88%	263.07
		1,365.59		**261.52**		**1.55**		**263.07**
(B) Indian subsidiaries -								
1. Economic Explosives Limited	24.46%	698.11	37.05%	168.40	-0.35%	(1.61)	36.70%	166.79
3. Emul Tek Private Limited	-0.28%	(7.91)	-0.45%	(2.02)	0.00%	(0.01)	-0.45%	(2.03)
4. Solar Defence Limited*	0.00%	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
5. Solar Defence Systems Limited*	0.00%	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
6. Solar Avionics Limited	0.00%	0.03	0.00%	-	0.00%	-	0.00%	-
		690.29		**166.36**		**(1.62)**		**164.74**
(C) Overseas subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	0.70%	19.85	-7.61%	(34.57)	0.00%	-	-7.61%	(34.57)
2. Nigachem Nigeria Limited	2.34%	66.68	3.43%	15.57	0.00%	-	3.43%	15.57
3. Solar Overseas Netherlands B.V.	1.99%	56.91	-0.18%	(0.82)	0.00%	-	-0.18%	(0.82)
4. Solar Explochem Zambia Limited	3.24%	92.38	2.71%	12.33	0.00%	-	2.71%	12.33
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	1.96%	56.01	3.04%	13.80	0.00%	-	3.04%	13.80
6. P.T. Solar Mining Services	0.83%	23.70	0.00%	-	0.00%	-	0.00%	-
7. PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8. Solar Nitro Ghana Limited	-0.14%	(4.13)	-1.57%	(7.13)	0.00%	-	-1.57%	(7.13)
9. Solar Madencilik Hizmetleri A.S	0.17%	4.88	0.40%	1.83	0.00%	-	0.40%	1.83
10. Solar Overseas Netherlands Cooperative U.A	5.30%	151.17	-2.19%	(9.97)	0.00%	-	-2.19%	(9.97)
11. Solar Overseas Singapore Pte Ltd	0.04%	1.11	-0.16%	(0.71)	0.00%	-	-0.16%	(0.71)
12. Solar Industries Africa Limited	-0.16%	(4.64)	-0.36%	(1.65)	0.00%	-	-0.36%	(1.65)
13. Solar Nitro Zimbabwe (Private) Limited	0.00%	0.06	0.00%	0.01	0.00%	-	0.00%	0.01
14. Solar Nitrochemicals Limited	0.16%	4.51	-0.22%	(0.98)	0.00%	-	-0.22%	(0.98)
15. Solar Mining Services Pty Ltd, Australia	0.30%	8.54	-0.90%	(4.10)	0.00%	-	-0.90%	(4.10)
16. Solar Mining Services CI SARL, Ivory Coast*	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-
17. Laghe Venture Company Limited	0.12%	3.50	0.27%	1.21	0.00%	-	0.27%	1.21
18. Solar Overseas Mauritius Limited (Standalone)	8.88%	253.38	6.26%	28.45	0.00%	-	6.26%	28.45
19. Solar Mining Services Burkina Faso SARL*	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/ associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive Income		Share in 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	4	5	6	7	8	9
20. Solar Mining Services, Albania	0.01%	0.26	-0.04%	(0.18)	0.00%	-	-0.04%	(0.18)
		734.17		**13.09**		**-**		**13.09**
(D) Minority Interests in all subsidiaries	2.26%	64.48	2.90%	13.16	0.22%	0.99	3.11%	14.15
		64.48		**13.16**		**0.99**		**14.15**
(F) Entities with Joint control or significant influence over the entity								
Astra Resources Pty ltd	0.00%	0.07	-0.13%	(0.58)	0.00%	-	-0.13%	(0.58)
		0.07		**(0.58)**		**-**		**(0.58)**

* Amount is less than ₹ 0.01 in March 31, 2022

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, 2022	March 31, 2021
India	2,387.42	1,329.19
Outside India	1,441.09	1,112.73
Total	**3,828.51**	**2,441.92**

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, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 36. Revenue from operations: (Contd..)

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, 2022	March 31, 2021
Trade Receivables	541.10	455.48
Contract Liabilities	87.74	72.17

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

	March 31, 2022	March 31, 2021
Revenue as per contracted price	3,865.57	2,476.21
Adjustments for:		
Rebates, Discounts and powder factor	(37.06)	(34.29)
Revenue from contract with customers	**3,828.51**	**2,441.92**

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, 2022, the aggregate amount of the transaction price allocated to order backlog was ₹ 3,099.32, The Group expects to recognise revenue within two years.

Note 37 : Research & Development Expenditure

	March 31, 2022	March 31, 2021
Revenue Expenditure	6.70	9.15
Capital Expenditure	-	1.48
Total	**6.70**	**10.63**

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.

Note 38:

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During the year ended March 31, 2022, there is no significant impact on the operations of the Group.The Group has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022 (All amounts in ₹ Crores, unless otherwise stated)

Note 39 : Other Statutory Information:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

(v) 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:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) 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:

(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 Group 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 Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 40 :

The financial statements were approved for issue by the Board of Directors on May 03, 2022

As per our report of even date attached

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number: 139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

Place: Nagpur
Date : May 03, 2022

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, 2022

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

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 03, 2022

SAILENT FEATURES OF FINANCIAL STATEMENT OF SSUBSIDIARIES / 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
Name of Subsidiaries Particulars	Economic Explosives Ltd	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Overseas Mauritius Ltd	Solar Overseas Netherlands Cooperatie U.A.	Solar Overseas Netherlands B.V.	Solar Overseas Singapore Pte Ltd	Nigachem Nigeria Ltd	Solar Explochem Zambia LtdExplochem Zambia Ltd	Solar Industries Africa Limited	PT.Solar Mining Services
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Capital	4.80	5.97	0.05	0.05	0.05	106.65	175.57	98.06	3.56	10.95	0.02	0.84	25.56
Reserves	693.29	(13.88)	(0.02)	(0.02)	(0.02)	146.73	(24.40)	(41.15)	(2.45)	55.73	92.36	(5.48)	(1.86)
Total Assets	972.16	20.83	0.03	0.04	0.04	912.97	329.75	143.08	45.21	319.07	152.12	23.56	26.71
Total Liabilities	274.07	28.74	0.00	0.00	0.00	912.97	329.75	143.08	45.21	319.07	152.12	23.56	26.71
Details of Investments (Except Investment in subsidiaries)	NIL	NIL	NIL	0.03	0.04	-	-	-	-	-	0.01	-	-
Turnover	809.65	26.41	NIL	NIL	NIL	32.61	-	-	-	324.50	168.82	-	-
Profit before Taxation	219.18	(2.03)	(0.00)	(0.01)	(0.01)	32.60	(9.97)	(0.82)	(0.71)	42.99	23.36	(1.65)	-
Provision for Taxation	219.18	(2.03)	(0.00)	(0.01)	(0.01)	4.15	-	-	-	14.69	4.39	-	-
Profit after Taxation	168.37	(2.02)	(0.00)	(0.01)	(0.01)	28.45	(9.97)	(0.82)	(0.71)	28.31	18.97	(1.65)	-
Proposed Dividend													
% of Shareholding	100%	100%	100%	100%	100%	100%	Fellow Subsidiaries						

Sr No	14	15	16	17	18	19	20	21	22	23	24	25
Name of Subsidiaries Particulars	Solar Mining Services Pty Ltd	Solar Mining Services Pty Limited (Formely known as Australian Explosive Technologies Group Pty Ltd	Solar Nitro Chemicals Limited	Solar Nitro Ghana Limited	Solar Madencilik Hizmetleri A.S	Solar Nitro Zimbabwe Private Limited	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi	Solar Venture Company Limited (Formely known as Laghe Venture Company Limited)	Solar Mining Services Cote d'Ivoire	Solar Mining Services-Albania	Solar Mining Services-Burkina Faso	Astra Resources (Pty) Limited
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Capital	178.25	0.00	7.68	4.59	0.39	0.00	6.21	0.05	0.01	0.43	0.01	4.59
Reserves	(158.40)	8.54	(3.17)	(8.72)	4.49	0.06	49.80	3.45	(0.02)	(0.17)	(0.00)	(4.44)
Total Assets	328.96	180.66	40.05	100.82	15.07	0.06	228.16	26.19	0.00	0.28	0.01	30.50
Total Liabilities	328.96	180.66	40.05	100.82	15.07	0.06	228.16	26.19	0.00	0.28	0.01	30.50
Details of Investments (Except Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	186.65	39.78	2.65	108.02	60.60	-	368.90	47.88	-	0.04	-	0
Profit before Taxation	(49.33)	(8.72)	(0.99)	(8.93)	2.47	0.01	18.63	3.34	-	(0.18)	-	(1.05)
Provision for Taxation	(11.46)	(2.02)	0.53	(1.01)	01.64	0.00	4.83	1.13	-	-	-	0
Profit after Taxation	(37.87)	(6.70)	(1.51)	(7.92)	1.83	0.01	13.80	2.21	-	(0.18)	-	(1.05)
Proposed Dividend												
% of Shareholding												

SAILENT FEATURES OF FINANCIAL STATEMENT OF SSUBSIDIARIES / 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

Solar Bhatgaon Extension Mines Pvt. Limited and SMS Bhatgaon Mines Extension Pvt. Limited(Associates Companies) has been struck off by the Companies on the basis of application filed respectively.

For and on behalf of Board
Solar Industries India Limited

S.N Nuwal
Chairman
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
Chief Executive Officer
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary &
Compliance Officer

Place: Nagpur
Date: May 03, 2022

Notice Calling 27th Annual General Meeting

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) will be held on **Friday, June 10, 2022 at 11:30 a.m.** through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at "Solar" House, 14 Kachimet, Amravati road, Nagpur- 440023.

ORDINARY BUSINESS:

ITEM NO. 1

Adoption of Financial Statements

To receive, consider and adopt (a) audited standalone financial statements of the Company for the financial year ended on March 31, 2022 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, 2022 and the Reports of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution.**

(a) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2022 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended on March 31, 2022 and the Reports of the Auditors thereon laid before this meeting, be and are hereby considered and adopted."

ITEM NO. 2

Final Dividend

To declare a final dividend on equity shares for the financial year ended on March 31, 2022 and in this regard, pass the following resolution as an **Ordinary Resolution.**

"RESOLVED THAT a dividend at the rate of ₹ 7.5/- (Seven Rupees and Fifty Paisa Only) per equity share of ₹ 2/- (Rupees Two only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2022 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2022."

ITEM NO. 3

Retirement by Rotation:

To appoint Shri Suresh Menon (DIN: 07104090), who retires by rotation as a Director, and in this regard pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act, 2013 Shri Suresh Menon (DIN: 07104090), who retires by rotation at this meeting be and is hereby appointed as Director of the Company liable to retire by rotation."

ITEM NO. 4

Appointment of Statutory Auditors of the Company

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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s SRBC & Co. LLP, Chartered Accountants, (Firm Registration No. No. 324982E/E300003 be and are hereby reappointed jointly with M/s Gandhi Rathi & Co., Chartered Accountants, (Firm Registration No.103031W) in place of M/s Akshay Rathi & Associates, Chartered Accountants, (Firm Registration No. 139703W) the retiring Auditors be and are hereby appointed as Statutory Auditors of the Company for a period of Five (5) years at such remuneration plus reimbursement of out of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

RESOLVED FURTHER THAT M/s SRBC & Co. LLP, Chartered Accountants jointly with M/s Gandhi Rathi & Co, Chartered Accountants, if Reappointed/appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Twenty Seventh Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the Company.

RESOLVED FURTHER THAT The Board of Directors (including its Committee thereof) and 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."

SPECIAL BUSINESS:

ITEM NO.5

Re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company and revision in terms of his remuneration.

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 Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded for the re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company liable to retire by rotation for a period of five (5) years from April 1, 2022 to March 31, 2027 on the terms and conditions of re-appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with authority to the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) to alter, enhance or widen the scope of remuneration (including the Fixed pay, Variable Pay/ Commission and other benefits) including periodical increase in his remuneration as may be permissible within the overall remuneration limits as mentioned in the explanatory statement in accordance with Section 197, read with Schedule V of the Act and rules made thereunder and other applicable laws, regulations, as amended from time to time.

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

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 **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 Director 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.7

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 **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 trenches, upto 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 for the purpose of giving effect to this resolution, the Board or a 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.8

Appointment of Shri Sanjay Sinha (DIN: 08253225) as a Non-Executive Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation16(1)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force),Shri Sanjay Sinha (DIN: 08253225) who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board in their meeting held on May 03, 2022 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting, who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 2 (Two) consecutive years up to the conclusion of the 29th Annual General Meeting to be held in the year 2024.

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.9

Ratification of Cost Auditor`s Remuneration for the financial year ended March 31, 2023.

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, 2023, 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**

(Khushboo A. Pasari)
Company Secretary &
Compliance Officer

Date: May 03, 2022
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: investor.relations@solargroup.com
Website: www.solargroup.com
Telephone No. 0712- 6634555

NOTES:

1. **The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 9 of the accompanying Notice are annexed hereto.**

2. **General instructions for accessing and participating in the 27th Annual General Meeting(AGM) through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

b. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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.

c. 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.

d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

e. 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 the Company is providing facility of remote 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.

f. In line with the Ministry of Corporate Affairs (MCA) 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 Remote e-Voting facility) i.e. www.evoting.nsdl.com.

g. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

h. Since the AGM is held through VC/OAVM facility, the road map is not annexed in the Notice.

i. 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 email to rnt.helpdesk@linkintime.co.in by 11:59 p.m. IST on Thursday, May 26, 2022. 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 sending an email to rnt.helpdesk@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Thursday, May 26, 2022.

3. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

a. The remote e-voting period begins on Tuesday, June 07, 2022, at 10:00 am. and ends on Thursday, June 09, 2022 at 5:00 pm. 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. Friday June 03, 2022 may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. 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 Friday June 03, 2022.

b. 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	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. 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. 2. 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 3. 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.

Type of shareholders	Login Method
	4. 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** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

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?

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. 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 eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices 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:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) 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'?

   (i) 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'.

   (ii) 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:

a) 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.

b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) 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.

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 General 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.

2. 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 Friday June 03, 2022.

3. 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 send through e-mail and holding shares as of the cut-off date i.e. Monday, May 30, 2022 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. Monday, May 30, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"

4. 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.

5. 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.

6. 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.

7. 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

8. 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, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

9. 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.

10. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 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:

1. 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

2. 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.

3. 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.

4. 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 27th AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. 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.

3. 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.

4. 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 27th AGM THROUGH VC/OAVM ARE AS UNDER:

1. 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 link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/have questions may send their specific questions at least 48 hours in advance before the start of the 27th Annual General Meeting i.e. Wednesday, June 08, 2022 by 11:30 a.m. IST. mentioning their name demat account number/ folio number, email id, mobile number at investor.relations@solargroup.com. The same will be replied by the company suitably.

6. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, 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 Wednesday June 08, 2022 by 11:30 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time.

7. Institutional Investors, who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.

4. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the financial year 2021-22 including therein the Audited Financial Statements for financial year 2021-22, 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 2021-22 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:-

a. 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

b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

5. The Notice of the AGM and the Annual Report for the financial year 2021-22 including therein the Audited Financial Statements for the financial year 2021-22, 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.

6. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, May 31, 2022 to Friday, June 10, 2022 both days inclusive, for annual closing and determining the entitlement of the Members to the final Dividend for financial year 2021-22.

7. The Board of Directors has recommended Final Dividend of ₹ 7.5/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2022 that is proposed to be paid on Saturday June 18, 2022 subject to the approval of the shareholders at the AGM of the Company.

8. The Company has fixed Monday May 30, 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, 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 Saturday June 18, 2022 as under:

a. 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 Monday, May 30, 2022.

b. 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 Monday, May 30, 2022.

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.

    a. 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:

        i Name and Branch of Bank and Bank Account type;

        ii Bank Account Number allotted by your bank after implementation of Core Banking Solutions;

        iii 11 digit IFSC Code;

    b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

    c. self-attested scanned copy of the PAN Card; and

    d. 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, at the earliest once the normalcy is restored.

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 ₹ 16,289/- (Rupees Sixteen Thousand Two Hundred and Eighty Nine Only) relating to financial year 2013-14 (Final) and ₹ 26328/- (Rupees Twenty Six Thousand Three Hundred and Twenty Eight Only) relating to financial year 2014-15(Interim) during the financial year 2021-22, to the IEPF.

    During the current financial year 2022-23, Company will be required to transfer the unclaimed Final Dividend for the year 2014-15 and Interim Dividend for the year 2015-16. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at www.solargroup.com Members who have not encashed Final Dividend for the year 2014-15 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 2021-22 no such shares were found, after following the prescribed procedure.

    Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2014-15 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 appointment / re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary &
Compliance Officer

Date: May 03, 2022
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: investor.relations@solargroup.com
Website: www.solargroup.com

Explanatory Statements

THIS EXPLANATORY STATEMENT IS PROVIDED THOUGH NOT REQUIRED AS PER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

Appointment of Statutory Auditors of the Company

The Members of the Company at the 22nd Annual General Meeting ('AGM') held on August 21, 2017 approved the appointment of M/s SRBC & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) jointly with M/s Akshay Rathi & Associates, Chartered Accountants, (Firm Registration No. 139703W), as the Auditors of the Company for a period of Five (5) years from the conclusion of the said AGM. Accordingly, The joint auditors will complete their present term on conclusion of this AGM.

Pursuant to Section 139 of the Companies Act 2013, the Board of Directors based on the recommendation of the Audit Committee proposes the re-appointment of M/s SRBC & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003), Jointly with M/s Gandhi Rathi & Co., Chartered Accountants, (Firm Registration No. 103031W) in place of M/s Akshay Rathi & Associates, Chartered Accountants, (Firm Registration No. 139703W) the retiring Auditors as the Statutory Auditors of the Company. If approved by the members, the appointment of M/s SRBC & Co. LLP, Jointly with M/s Gandhi Rathi & Co., as the Statutory Auditors will be for a period of Five (5) years commencing from the conclusion of this 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc.

M/s SRBC & Co. LLP have confirmed that their re-appointment for the second term of Five (5) years, and M/s Gandhi Rathi & Co., have confirmed that their appointment for the first term of Five (5) years if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s. SRBC & Co. LLP, (Firm Registration no. 324982E/E300003) ("SRB") network of firms of Chartered Accountants, started in 1914 and registered with the Institute of Chartered Accountants of India. SRB is a Limited Liability Partnership (LLP) firm incorporated in India. It has its registered office at 22, Camac Street, Kolkata and has offices at 14 locations in various cities in India. SRB has valid peer review certificate. It is primarily engaged in providing audit and assurance services to the clients.

M/s. Gandhi Rathi and Co ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) since 1987, with Firm Registration Number 103031W. The Firm has obtained Peer Review certificate from ICAI. The firm specializes in Audit & Assurance, Taxation Services and also provides range of other professional services to it's clients including Management Consultancy, Project Finance & Business Advisory services Risk Mitigation. It has Highly satisfied pool of clients over three decades. The firm has head office at Nagpur from where it caters to the diverse needs of client.

None of the Directors, Key Managerial Personnel and other relatives are concerned or interested in the Resolution at Item no. 4 of the Notice.

The Board recommends the Ordinary Resolution at Item no. 4 of this Notice for the approval of the members.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 5

Re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company and revision in terms of his remuneration.

Shri Manish Nuwal is one of the promoter of the Company and has been associated with the Company for more than two decades. With keen business acumen and strategic planning skills, he has contributed immensely in shaping the long term vision and mission of the Solar Group with major emphasis on business development in focus areas, undertaking of new projects, achieving operational efficiencies and building upon commercial successes, since he took over the role of Managing Director and CEO in 2016. Under his guidance, Solar Group has become one of the leading global manufacturers of explosives with customer base in 65 countries and manufacturing operations in 7 countries. His leadership is well reflected in the multi-fold growth of the Solar Group over the last few years without over leveraging the company, instilling confidence and delivering immense returns to all stakeholders.

Shri Manish Nuwal was appointed as a Managing Director of the Company by the members of the Company for a period of one (1) year from April 1, 2021 to March 31, 2022 at their meeting dated August 31, 2021. The Board of Director of the Company at its meeting held on March 31, 2022 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on March 31, 2022 and, subject to the approval of members of the Company, has re-appointed Shri Manish Nuwal as Managing Director of the Company for a period of five (5) years from April 1, 2022 to March 31, 2027 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.

As per Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the remuneration payable to Shri Manish Nuwal being a promoter does not exceeds 5% of the net profits.

The information in respect of terms of remuneration & perquisites is given below:

I. Broad Particulars of Salary, Perquisites and allowances of Shri Manish Nuwal are as under:

1. Period	From April 01, 2022 to March 31, 2027
2. Remuneration	
Salary	₹ 25,00,000 to ₹ 50,00,000 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)	Traveling, Boarding and Lodging expenses Expenses incurred for Traveling, Boarding and Lodging for self during the business trips and provision of car for the same shall be reimbursed at actuals and not considered as perquisites.
c)	Bonus: As per policies and rules of the Company.
d)	Club: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
e)	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 payable shall not exceed half Month's salary for each completed year of service or part thereof.
c)	Leave Entitlement: As per Company's Policy
Category 'C'	
a)	The Company shall provide a car with chauffer and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and 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.	

II. Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Shri Manish Nuwal shall be entitled to receive remuneration based on net profits of the Company. Such remuneration based on net profits payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year.

The overall remuneration payable every year to Shri Manish Nuwal by way of salary, perquisites and allowances, incentive/bonus/ performance linked incentive, remuneration based on net profits, etc. shall not exceed individually and to all the Executive Directors taken together, by 5% and 10% respectively, of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof.

Shri Manish Nuwal satisfies all the conditions set out in Para – I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being re-appointed as Directors in terms of Section 164 of the Act.

Shri Manish Nuwal is son of Shri Satyanarayan Nuwal, Chairman and Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder.

Except Shri Manish Nuwal, being an appointee and Shri Satyanarayan Nuwal, Chairman and Director, being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Manish Nuwal under Section 190 of the Act.

The brief resume of Shri Manish Nuwal, his nature of expertise in specific functional areas, names of Companies in which he holds directorships/ chairmanship of Board Committees, shareholding and relationships between directors is provided in the Annexure attached 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

The resolution seeks approval of members as an Ordinary Resolution for the re-appointment of Shri Manish Nuwal as the Managing Director of the Company with effect from April 1, 2022 pursuant to the provisions of Section 117, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

The Board recommends the Ordinary resolution at item no. 5 of this Notice for approval by the members.

ITEM NO. 6 & 7

Item No. 6: Increase in Limits of Borrowings u/s 180 (1) (c) of the Companies Act, 2013.

Item No. 7: 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 ₹ 1273 Crores whereas in the current financial year, revenue of the company has reached to ₹ 2528 Crores which is a growth of around 99% Based on our estimation we are targeting compounded growth in the next 3 to 4 years. Apart from this, SIIL 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 upto 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 Resolution at Item no. 6 and 7 of this Notice for the approval of the members.

ITEM NO.8

Appointment of Shri Sanjay Sinha (DIN: 08253225) as a Non-Executive Independent Director of the Company.

Shri Sanjay Sinha (DIN: 08253225) was appointed as an Additional Director in the category Non-Executive Independent Director of the Company by the Board of Directors in their Meeting held on May 03, 2022 to hold office of Independent Director up to the ensuing Annual General Meeting.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders by way of Special Resolution for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Shri Sanjay Sinha would require the approval of the members of the Company by way of Special Resolution.

Based on recommendations of Nomination and Remuneration Committee, Board have approved the appointment of Shri Sanjay Sinha (DIN: 08253225) as Non-Executive Independent Director of the Company, not liable to retire by rotation to hold office for a First term of Two (2) consecutive years up to the conclusion of 29th Annual General Meeting to be held in the year 2024 subject to approval of the Shareholders.

Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

Shri Sanjay Sinha (DIN: 08253225) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declarations from Shri Sanjay Sinha (DIN: 08253225) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Shri Sanjay Sinha fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

He shall be paid remuneration by way of sitting fee 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.

The details of Shri Sanjay Sinha, nature of his expertise in specific functional areas and names of company in which he hold directorships, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Shri Sanjay Sinha setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company. Except the appointee Director 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 the resolution.

The Board recommends the Special Resolutions set out at Item No. 8 of the Notice for approval of the shareholders.

ITEM NO.9

Ratification of Cost Auditor`s Remuneration

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 2022-23 ending on March 31, 2023 at the Audit Fees of ₹ 1,70,000/- (Rupees One Lakh Seventy Thousand 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, 2023.

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 Resolutions 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**

(Khushboo A. Pasari)
Company Secretary
& Compliance Officer

Date: May 03, 2022
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: investor.relations@solargroup.com
Website: www.solargroup.com

Annexure to Item No. 3, 5 and 8

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) 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 increased at this 27th Annual General Meeting, are given below:

Item No. 3 & 5:

Sr. No	Particulars	Details of Shri Suresh Menon	Details of Shri Manish Nuwal
1.	Name of the Director	Shri Suresh Menon (DIN: 07104090)	Shri Manish Satyanarayan Nuwal (DIN: 00164388)
2.	Date of Birth	15/11/1960	12/03/1974
3.	Age	61 Years	48 Years
4.	Nationality	Indian	Indian
5.	Qualifications	Bachelor of Technology (Hons) in Mining Engineering	Chartered Accountant, B. Com
6.	Experience (including expertise in specific functional area) / Brief Resume	Over 38 years of experience in the coal, mining and explosives industries. Please refer Company's Website: www.solargroup.com for detailed profile.	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 has experience of more than 20 years. 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 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.5 of the Notice convening this meeting read with exploratory statement thereto
10.	Date of first appointment on the Board	11/05/2018	25/10/2008
11.	Shareholding in the Company as on date of notice	Nil	35232069 Equity Shares
12.	Relationship with other Directors / Key Managerial Personnel	Nil	Son of Shri Satyanarayan Nuwal
13.	Number of meetings of the Board attended during the financial year (FY 2021-22)	5 (five) out of 5(five) board meetings during the FY 2021-22.	5 (five) out of 5(five) board meetings during the FY 2021-22.
14.	Directorships of other Boards	Solar Explochem Limited Solar Defence Limited Solar Defence Systems Limited	Economic Explosives Limited Solar Defence Limited Solar Defence Systems Limited Solar Avionics Limited MSN Global Ventures Limited MSN Holdings Limited Skyroot Aerospace Private Limited Sundrop Developers & Ventures LLP Zmotion Autonomous Systems Private Limited
15.	Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Nil	Member of Audit Committee and Corporate Social Responsibility Committee of Economic Explosives Limited

Item No. 8:

Sr. No	Particulars	Details of Shri Sanjay Sinha
1.	Name of the Director	Shri Sanjay Sinha (DIN: 08253225)
2.	Date of Birth	19/04/1961
3.	Age	61 Years
4.	Nationality	Indian
5.	Qualifications	B.Sc.(Botany Hons), PG in Investment Banking–IIM Indore
6.	Experience (including expertise in specific functional area) / Brief Resume	Experience of more than 36 years. • **Industry Expertise:** Banking, Finance and Trusteeship • **Core competence:** Credit Risk Assessment, Credit Granting & Administration, Industry Analysis, Developing Strategy & formulating business plans, Organizational structuring & leadership skills. • **Knowledge:** Corporate Finance & Portfolio Management, Strategic Planning, Product Management & Marketing, Operational Management. • **Insight:** RBI regulations on commercial banking & forex management, Bank of England prudential regulations of banks, SEBI regulations on Market Intermediaries, Corporate law. • **Trainer:** Engaged classes as a guest faculty at RBI Bankers Training College, Mumbai; Axis Learning Academy, Mumbai & SBI Staff Training Centre (Patna & Ranchi) on Credit Analysis, Credit Rating, Credit Granting & Administration. Please refer Company's Website: www.solargroup.com for detailed profile.
7.	Terms and Conditions of Appointment	As per the resolution set out in this Notice read with the Statement hereto.
8.	Remuneration last drawn (including sitting fees, if any)	NA
9.	Remuneration proposed to be paid	He shall be paid remuneration by way of fee 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.
10.	Date of first appointment on the Board	03/05/2022
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 2021-22)	N.A
14.	Directorships of other Boards	Beacon Trusteeship Limited
15.	Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Nil

Notes

SOLAR INDUSTRIES INDIA LIMITED

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