



**Creating New Synergies.
Carving New Strategies.**

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CORPORATE OVERVIEW

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Forward-looking statements

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically release contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar meaning in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise,

or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information



BOARD OF DIRECTORS

Shri Satyanarayan Nuwal
Chairman and Executive Director

Shri Kailashchandra Nuwal
Executive Director

Shri Manish Nuwal
Executive Director and CEO

Shri Kundan Singh Talesra
Executive Director (Resigned from the Board w.e.f. May 25, 2015)

Shri Roomie Dara Vakil
Executive Director

Shri Anil Kumar Jain
Executive Director (w.e.f. May 25, 2015)

Shri Anant Sagar Awasthi
Non-Executive Independent Director

Shri Satish Chandra Gupta
Non-Executive Independent Director

Shri Dilip Patel
Non-Executive Independent Director

Shri Ajai Nigam
Non-Executive Independent Director

Shri Amrendra Verma
Non-Executive Independent Director

Smt. Madhu Vij
Non-Executive Independent Director (w.e.f. March 23, 2015)

REGISTERED AND CORPORATE OFFICE

11, Zade Layout, Bharat Nagar
Nagpur-440 033

Ph: +91-712-2561000

E-mail: solar@solargroup.com

CIN No.: L74999MH1995PLC085878

CHIEF FINANCIAL OFFICER

Shri Nilesh Panpaliya

COMPANY SECRETARY AND COMPLIANCE OFFICER

Smt. Khushboo Pasari

STATUTORY AUDITORS

M/s Gandhi Rathi & Co.
Chartered Accountants, Nagpur

BANKERS

Axis Bank
Bank of India
DBS Bank
HDFC Bank
ICICI Bank
IndusInd Bank
State Bank of India
Yes Bank

REGISTRAR AND SHARE TRANSFER AGENTS & DEPOSITORY REGISTRAR

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W), Mumbai-400 078
Ph: 022-25963838, 25946970
E-mail: rnt.helpdesk@linkintime.co.in

AUDIT COMMITTEE

Shri Dilip Patel
Chairman (w.e.f. May 25, 2015)

Shri Satish Chandra Gupta
Member

Shri Manish Nuwal
Member

Smt. Madhu Vij
Member (w.e.f. May 25, 2015)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri Anant Sagar Awasthi
Chairman

Shri Kailashchandra Nuwal
Member

Shri Roomie Dara Vakil
Member (w.e.f. May 25, 2015)

NOMINATION AND REMUNERATION COMMITTEE

Shri Anant Sagar Awasthi
Chairman

Shri Dilip Patel
Member

Shri Satish Chandra Gupta
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Shri Ajai Nigam
Member

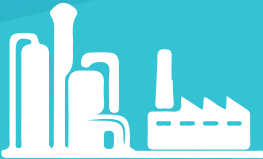
GRIEVANCE REDRESSAL DIVISION

investor.relations@solargroup.com





Creating New Synergies. Carving New Strategies.



A Glimpse of our Defence Facility



In today's evolving business environment, growth is no longer confined to mere lateral or vertical expansion. Modern day organisations are focussed on diversification, steered by multiple avenues of growth with strong synergies.

As a globally reputed explosives company, our foray into India's burgeoning defence sector was also a synergistic move that helped us diversify our product basket. With this diversification, we have further aligned our business strategy to the transforming needs of the industry. Not only has this foray ensured greater de-risking of our business, it has also helped us carve new, synergistic strategies for growth.



This is the story of how our diversified businesses, with their strong inter-play, are creating greater synergies to chart a new chapter of progressive development.



Mapping new strategies of growth



Emulsion Plant

WHO WE ARE...

We are a company that manufactures explosives and explosive accessories globally. With our differentiated and customised products and services, we are focussed on delivering innovation and excellence. This has been our guiding light on our journey that began two decades ago, in 1995.

A SNAPSHOT

- ▶ India's largest manufacturer of Industrial Explosives and Initiating Systems
- ▶ Complete explosives product range with a presence across the product value chain
- ▶ World's largest single-location cartridge manufacturing facility, at Chakdoh near Nagpur
- ▶ India's largest manufacturing facilities for detonating cord and cast boosters
- ▶ India's first private sector company to obtain a license for setting up manufacturing facilities of HMX (a warhead explosive) and HMX compounded products
- ▶ Commissioned manufacturing facilities for Missile propellants and HMX

From a humble beginning as a small proprietary firm trading explosives, we have evolved into a globally reputed corporate. We are today a leading player in the explosives business with an impressive clientele across the mining and infrastructure sectors.



Today, Solar has the largest manufacturing capacities in India

| Product | Capacity |
|-----------------------|---------------|
| Bulk Explosives | 2,75,357 MTPA |
| Cartridge Explosives | 1,25,000 MTPA |
| Detonators | 190 Mn. Units |
| Detonating Cord | 75 Mn. Metres |
| PETN | 1,650 MTPA |
| Cast Booster | 1,500 MTPA |
| Styphnic Acid | 10 MTPA |
| HMX and HMX Compounds | 50 MTPA |
| Composite Propellants | 250 MTPA |

Solar also has industrial licence for manufacturing of the following defence products

- ▶ RDX & RDX Compounded Products – Like Dentex, Hexolite, Torpex, PBX
- ▶ TNT
- ▶ Hexanitrostilbene (HNS)
- ▶ Propellant (Non NG)
- ▶ Pyro Technic Devices
- ▶ Filling and Assembly of Military Fuzes
- ▶ Filling of Munitions
- ▶ Flexible Leanier Shape Charges

With our wide and diversified product portfolio that now encompasses the defence sector, we are now set to scale new frontiers of growth. The Company manufactures quality products through 25 manufacturing facilities across 10 states in India, along with 3 overseas units.



VISION

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











MISSION

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





KEY STRENGTHS

| | | | | |
|---|--|--|---|---|
|  <p>Safety focus: Enhanced systems for Safety, Health & Environment</p> |  <p>Quality quotient: Plants are certified for ISO 9001:2000 & ISO 14001:2004</p> |  <p>State-of-the-art plants: High-end quality products manufactured with the best of equipment</p> |  <p>Integrated portfolio: Backward integration of raw materials to a large extent</p> |  <p>Logistics advantage: Inward & outward logistics providing a strong distribution network</p> |
|  <p>Streamlined business processes: System controlled through SAP ERP</p> |  <p>Technology edge: Advanced technology and R&D set-up recognised by DS&T</p> |  <p>Strategic location: Plants are located near the mines</p> |  <p>Skilled & dedicated manpower: Ensuring execution excellence</p> |  <p>Visionary management: Experienced, qualified and farsighted management team</p> |

MARQUEE CLIENTELE

| | | | | | |
|------------------------------|---|---|----------------------|--------------------|---------------------|
| Coal India Limited | The Singareni Collieries Company Limited (SCCL) | ONGC | NHPC | Ordnance Factories | Bharat Dynamics |
| Uranium Corporation of India | Steel Authority of India Limited (SAIL) | Terminal Ballistics Research Laboratory | MOIL | Vedanta Resources | Sasan Power Limited |
| Hindustan Zinc | TISCO | Aditya Birla Group | Jindal Steel & Power | ACC | Ultratech Cement |
| | Lafarge | Jindal Power Limited | Hutti Gold Mines | | |

A MILESTONE JOURNEY OF CREATING SYNERGIES

1983

- ▶ Commenced business of explosives

1996

- ▶ Started production of cartridge explosives

1998

- ▶ Started production of detonators

2000

- ▶ Started production of bulk explosives

2001

- ▶ Included Cast Boosters and PETN in the product portfolio

2002-06

- ▶ Commenced exports 2006
Company got listed on BSE & NSE

2007-08

- ▶ Extended presence in India by setting up of new Bulk Plants

2009

- ▶ Emerged as India's largest explosives manufacturer

2010-15

- ▶ Established products in 20 countries
- ▶ Manufacturing units set up in Zambia, Nigeria & Turkey
- ▶ Ventured into Defence in 2011
- ▶ Set-up manufacturing facilities of HMX & Propellant
- ▶ Started supplying HMX and HMX Compounds
- ▶ Acquired a 100% stake in Blastec (India) Private Ltd and Emultek Private Limited having bulk explosives plant at Waidhan and Raigarh



The dividends of synergistic growth

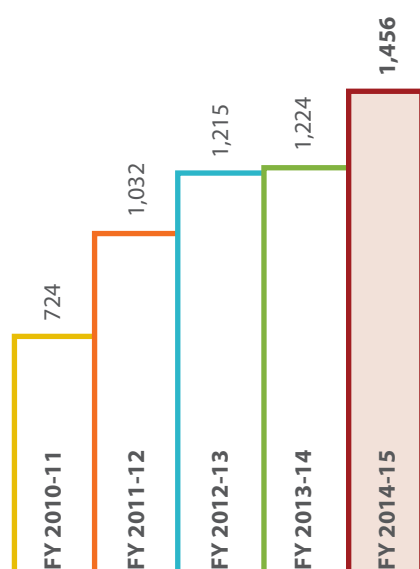
Solar Industries has been growing at a CAGR of 20% over the past five years. Adoption of efficient business processes has ensured that our topline growth is reflected in our profitability.

FINANCIAL HIGHLIGHTS



| Particulars | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 |
|---------------------------------|------------|------------|------------|------------|------------|
| Growth Ratios (%) | | | | | |
| Net Sales Growth | 21.89 | 42.05 | 15.87 | 0.53 | 19.54 |
| EBIDTA Growth | 32.56 | 31.56 | 7.87 | 8.43 | 22.33 |
| Net Profit Growth | 29.02 | 33.88 | 14.91 | 1.85 | 24.46 |
| Margin Ratios (%) | | | | | |
| EBIDTA Margin | 21.75 | 20.14 | 17.64 | 19.02 | 19.47 |
| Net Profit Margin | 11.1 | 10.47 | 10.39 | 10.52 | 10.96 |
| Other Key Ratios | | | | | |
| Dividend Payout Ratio (%) | 21.38 | 19.89 | 19.97 | 20.58 | 24.37 |
| Book Value Per Share (₹) | 182.48 | 233.56 | 316.44 | 365.55 | 428.71 |
| Return on Capital Employed (%) | 35.44 | 29.26 | 22.23 | 18.34 | 21.66 |
| Return on Net Worth (%) | 24.35 | 25.01 | 20.31 | 17.9 | 19.0 |
| Enterprise Value (₹ in Million) | 54,653.23 | 55,894.47 | 58,633.33 | 59,207.27 | 64,488.27 |

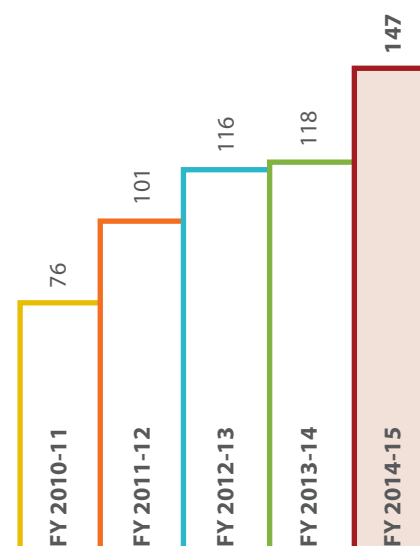
GROSS SALES (₹ IN CR)



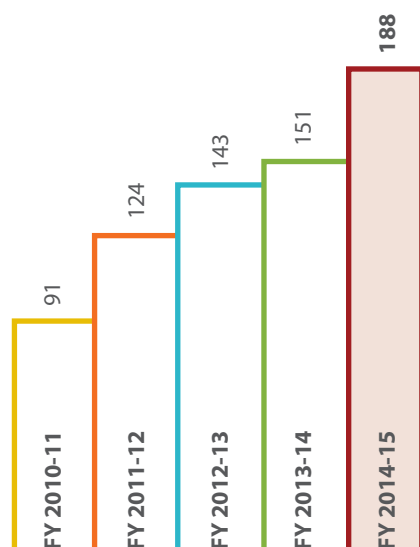
EBIDTA (₹ IN CR)



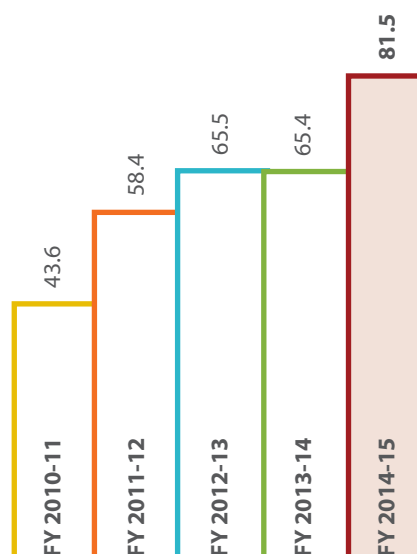
NET PROFIT (₹ IN CR)



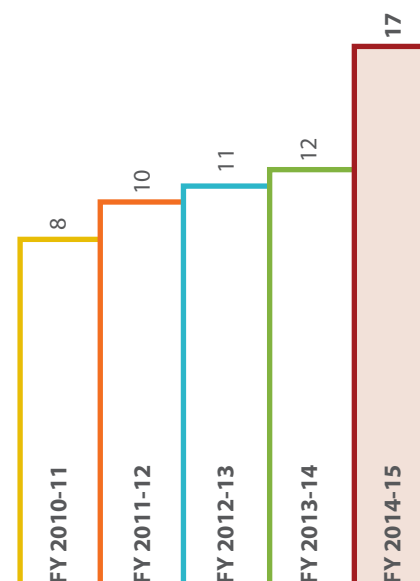
CASH PROFIT (₹ IN CR)



EARNINGS PER SHARE (₹)



DIVIDEND PER SHARE (₹)



*Proposed dividend of ₹ 9 per share, awaiting approval during AGM. An interim dividend of ₹ 8 per share was paid during the year, taking the aggregate dividend to a total of ₹ 17 per share for FY 2014-15.



The domestic economy can expect a pick-up in growth during FY 2015-16, with key segments like infrastructure, mining and construction on an upswing.

Chairman's communiqué



Dear Stakeholder,

I am happy to present the 20th annual results of Solar Industries India Limited. Your Company recorded an excellent performance in FY 2014-15, both in terms of domestic as well as offshore operations. As a forward-thinking entity, we have always been focussed on remaining ahead of the curve, when it comes to tapping future opportunities for growth. Our strategic intent and synergistic moves have helped us surge continuously forward on our growth path, year on year. During the year under review, we continued to craft our dynamic blueprint for success keeping in mind the evolving macro environment.

COMPANY PERFORMANCE

We are happy to share with you that the Company has posted a robust

performance once again in FY 2014-15. In keeping with the trend of the past few years and in line with our guidance, gross sales increased by 20% and our bottom line has expanded by 24.46% over the previous year's level. Cartridges and Bulk explosives were the key growth drivers. Our overseas ventures in Nigeria, Zambia and Turkey also performed well.

Your Company has continued the practice of consistently rewarding its shareholders, with dividends. This year, in consultation with Board of Directors, your Company has decided to pay out 24.44% of net profit as dividend.

OPTIMISTIC SENTIMENT

India is in a sweet spot due to the revamp of its coal industry and the pro-growth agenda of the Government

at the Centre. The domestic economy can expect a pick-up in growth during FY 2015-16, with key segments like infrastructure, mining and construction on an upswing. With a stable Government at the helm, focussed on faster project clearances, a sense of optimism prevails in the country. In both, the Interim and Union Budgets, the Government laid great emphasis on augmentation of infrastructure and creation of smart cities and more houses. All these initiatives augur well for the Explosives Industry.

Despite some challenges, there is overall a lot of positivity in the environment, which extends to the Defence Sector, where we have recently forayed. The Government's thrust on indigenous defence manufacturing under the 'Make in India' initiative and the proposed

amendments in the defence procurement policy promise great opportunity for your Company's growth.

GROWTH PROSPECTS IN THE EXPLOSIVES INDUSTRY

India is amongst the top 10 explosives market in the world, both in terms of size and growth. The explosives market in India is likely to grow substantially over the next few years. The industry's fortunes are interlinked with the metal/mineral extraction industry. The coal industry accounts for more than 70% of the demand for explosives. In this scenario, the recent developments with respect to the coal blocks are likely to spur demand for explosives in the coming years. New mines, as sanctioned in the new liberal mining policy, may come up in the next three to four years and will add another layer of demand for our products. More importantly, after chalking out a roadmap for reforms in the Coal sector, the Government of India has set a coal production target of 1.35 Billion Tonnes by 2020, which includes 1 Billion Tonnes of production for Coal India. At twice as much as current levels, this target will imply a colossal fillip for the industrial explosives sector over the next 5 years.

As you are aware, the cancellation of allocation of certain coal blocks by the Indian government stalled progress in the mining segment during FY 2014-15. Later, the Parliament passed the Bill for their allocation. This regenerated growth in the mining sector. However, the challenges that still exist on the land acquisition front will continue to impact growth and investment in private coal mining and infrastructure projects.

The Government's steadfast focus on augmenting infrastructure, as evident in the allocation of increased investment of ₹ 70,000 Cr in Budget 2015-16, also indicates good tidings for the explosives sector. Be it the construction of roads or railways, dams or bridges, canals or viaducts, building infrastructure for the nation usually entails the use of industrial explosives. This clearly means a boost in demand for explosives, going forward.

Construction is another focus area of the Government that will drive the demand for explosives. With the Government's stated intention to spend ₹ 7,060 Cr towards developing 100 smart cities and its agenda to ensure 'Housing for all by 2022', the explosives sector can expect both primary demand from construction sites as well secondary demand from limestone mines - a backward link to the cement industry.

DEFENCE SECTOR FORGES AHEAD

The Government's 'Make in India' programme, and its decision to allow private companies into the highly-regulated defence sector, has opened the door to the massive opportunity matrix in this segment. Utilising this window of opportunity, we have made a strategic entry into the defence segment with an eye on the huge untapped potential it offers for well-integrated entities like your Company.

EXPLORING WORLDWIDE OPPORTUNITIES

We are exporting to 20 countries, largely in Central and South East Asia, North and Sub-Saharan Africa and the Mediterranean, as well as the Middle East. We are now in the process of diversifying our product base in Zambia and Nigeria. The spectrum of opportunity is wide indeed and we are among the best positioned Indian companies in this segment to derive its benefits.

Against this backdrop, your Company has created a niche for itself as a major exporter. We will continue to invest in new opportunities and ensure that our products meet the world's most stringent quality and safety standards.

KEEPING CUSTOMERS SATISFIED

Customer service and repeat orders are one of most important strands in the mosaic of our strengths and a key driver of our growth and profitability. With the visionary guidance of the management team and the dedicated efforts of our people, we have been able to constantly expand our customer base and ensure a high level of

customer retention. We have consistently delivered customer satisfaction through focus on quality and reliability. Our regular technological upgradations and intensive R&D efforts, coupled with timely deliveries, endorse our customer centricity, within and outside India.

THE FUTURE BECKONS

The future outlook is promising and we are upbeat about accelerated growth, going forward. We are at the forefront of indigenising technology and developing new products for different applications. We believe these investments will help us exploit potential demand and enable us to boost operational efficiency. This will translate into more sustainable profits in the long run. Further, our commitment to 'safety first' stands as strong as always.

We thank all our stakeholders, including our shareholders, clients, partners and employees, for their unstinted support. It is their dedicated effort that has enabled the furtherance of our plans. We look ahead to marching forward together on this journey of creating new synergies and carving new strategies for the ultimate benefit of all stakeholders.

Sincerely,

Satyanarayan Nuwal
Chairman



New geographies for strategic growth



Our Strategic efforts to enter new potential geographies are steered by our Visionary Focus to Leverage the future opportunities. We continue to successfully translate our Vision into profitable reality through myriad initiatives. Some of these include increasing our existing overseas capacities and set up production facilities in new geographies.

FINDING GLOBAL SYNERGIES THROUGH STRATEGIC FOCUS ON OVERSEAS VENTURES

Our high-quality and technologically superior product range is ideally suited for the growing overseas market for industrial explosives. We are the largest exporters of explosives from India, supplying our products to 20 countries globally. We are strengthening our position in the overseas market especially in Zambia and Turkey, which has also picked up as an export hub recently. The addition of capacities to the explosives

business is further expected to boost market growth.

New frontiers for expansion

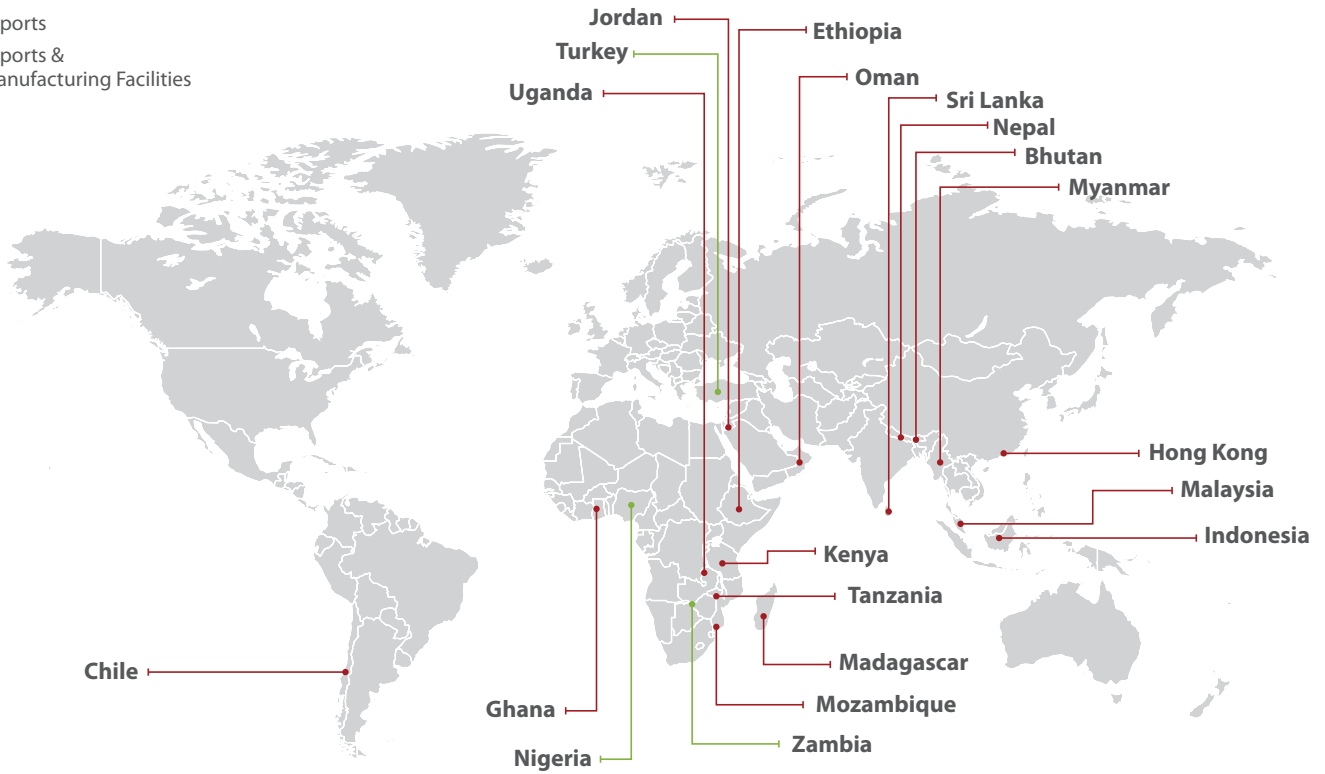
Your Company has fully functional production facilities in Zambia, Nigeria and Turkey. We are now expanding into Central, Western and Southern Africa and nearby markets of Turkey.

Leveraging growth opportunities

With the sterling performance of our overseas operations during FY 2011-15, we see huge opportunities for growth in our exports business. We are continuously investing in plant and product expansion in the overseas markets.



- Exports
- Exports & Manufacturing Facilities



SYNERGISTIC STRENGTHS OF OUR EXPORTS BUSINESS

Quality products

Personalised customer service

Efficient shipping arrangements

Repeat orders

We stand to gain from a strong dealer network and marketing tie-ups with institutional buyers in the countries to which we export.



Creating new synergies through strategic foray into defence



The opportunities provided by the Government's Defence Procurement Policy of 2013 and the 'Make in India' campaign come at a propitious time in the Company's journey. With our strategic intent and synergistic strengths, we are more than ready for the next phase of growth, which our defence foray will catapult us into. We see in this diversification the potential to generate new income streams, as well as greater profitability and value for the Company and all its stakeholders.

With our extensive experience, expertise and potential founded on our years of experience in the Industrial explosives segment, we have entered into defence segment.

In the current year, your Company has secured industrial licences for RDX & RDX compounded products, TNT and HNS, propellants, pyro-technic devices, flexible liner shape charges, etc. We have also received a licence to design, develop, upgrade, refurbish and produce Ready-to-Use ammunition, rockets and missiles and filled fuzes for artillery shells, mortar bombs, missiles, grenades and similar munitions of war.

Catapulting rocket and missile development programme to newer heights



With our synergistic strengths and our strong focus on safety and security matrices, we have become the first Private Sector company in the country to set up an HMX plant and largest capacity composite propellant plant by a private sector.



A Glimpse of HMX facility

Partners in energising the missiles



Investing strategically to deliver greater synergies



We are one of the few fully integrated industry players in the country, with a strongly diversified product portfolio. This lends us the capability to deliver greater synergies across our existing and new segments of growth through strategic investments.





PRODUCT INITIATIVES

We have developed the following products:

Electronic Detonators -

- o For very accurate and precise delay timings
- o For better blasting performance and controlled ground vibration

Underground Bulk - For blasting in tunnels and underground mining operations.

Seismic - Explosives packaged in plastic coupleable tubes for seismic prospecting.

LOGISTICS SYSTEMS

In-house vehicles allow us to enjoy freight advantages while ensuring minimisation of incidents of default storage due to unavailability of transport.

RESEARCH LABS AND TRIAL FACILITIES

Driven by our future-focussed approach, we have set up R&D laboratories which are recognised by the Department of Science and Technology, Government of India. These are employed in continuously upgrading and testing of products on pilot plant scale to ensure better economy, safety and reliability. These labs have become instrumental in designing tailor-made products for clients, to meet their unique needs.



An Open cast mine



Research and Development

Investing in forward integration, logistics and R&D to reduce price sensitivity in manufacturing and ensure better quality, safety and reliability of products.

Executive Directors



Shri Satyanarayan Nandlal Nuwal
Chairman and Executive Director

His progressive journey from a trader to large explosive manufacturer is inspired with a belief in the capabilities of ordinary people doing extraordinary things. He is of the view that ordinary people can achieve incredible results when organised into highly charged teams. Steered by this belief, he takes keen personal interest in developing highly motivated leaders and teams. The driving force behind new initiatives and fresh projects, he has been leveraging his experience to provide the Company with vision and leadership that has enabled it to reach its premier position within the explosives industry in India.

A philanthropist at heart, he firmly believes that business organisations have a social responsibility not only to employ ethical, fair and ecologically sensitive business, but also to actively contribute to the social and economic development of the communities in which they operate.



Shri Kailashchandra Nandlal Nuwal
Executive Director

He is the younger brother of Shri Satyanarayan Nandlal Nuwal and has been associated with the Solar Group's multiple ventures. A key driver of the Group's Strategic Planning function, he is critical to its evolution as an industry leader and has been instrumental in the Group consistently sustaining leadership position in explosives used in the infrastructure and housing segments.

With his intuitive knowledge of industry trends, he has a deep understanding of the market pulse, which he is constantly applying for the benefit of the Company and its stakeholders.



Shri Manish Satyanarayan Nuwal
CEO & Executive Director

A qualified Chartered Accountant, he joined the Company in 1999 and continues to contribute to its growth through his strong professional, financial and management skills. He is responsible for shaping the Company's strategy and aligning it with the future business landscape. He oversees the areas of Business Planning, Overseas Expansion, Commercial & Technical matters. He is credited with playing a catalytic role in achieving recognition for the Company. His value drive approach underlines his strong commitment to fair and ethical business practices, of which success is a natural outcome.


Shri Kundansingh K Talesra

Executive Director

He has served the Company in the capacity of an Executive Director and Chief Executive Officer up to May 25, 2015. With more than 40 years of experience in the explosives industry, of which the last 15 were spent with the Company, he played a pivotal role in steering the organisation's success with his multi-faceted expertise, inspiring its progress with his visionary leadership and guidance. He shall continue to play an important and motivational role in the Company as an Advisor.

He has played a crucial role in transforming the Company into a professional entity and developed team members to take bigger responsibilities.


Shri Roomie Dara Vakil

Executive Director

A Post Graduate in Mining (Geology) from the Osmania University, he is associated with the Solar Group for the past 13 years. He oversees the Company's marketing division, with the responsibility of managing domestic and international marketing functions. With his strong expertise, he is also involved in the bigger role of planning of sales of all products manufactured by the Solar Group. His customer-centric approach is a key driver of the Company's growth as he believes that an organisation's success is inexorably linked to its customers. Delivering value to customers is thus at the heart of the Company's business model, of which he is an important pillar.


Shri Anil Kumar Jain

Executive Director

He has been appointed in the capacity of an Executive Director w.e.f. May 25, 2015. With degrees in B.Sc. and B.E. in Chemical Engineering, he brings to the table extensive experience in the management of operations of explosives plants. He is associated with the Solar Group since the past 14 years, his contributions span a multitude of functions, including development of new products, production planning, erection and commissioning of Greenfield projects, etc.

He is responsible for the manufacturing operations of the Group, which is systemically scaling up to the achievement of the Company's future goals.



Management Discussion and Analysis



ECONOMIC OVERVIEW

Indian Economy

India is in the midst of change since the advent of the new Government in May 2014. The change at the helm has brought in a sense of optimism with the initiation of progressive policies such as 'Make in India' and increased focus on physical infrastructure, education, employment generation and empowerment through skills development. Fast-track clearance of proposals that were caught up in the logjam of the past has also infused positivity in the environment.

The new Government's proposals and the optimism with which they have been received have pulled the country out of the economic quagmire that had resulted from a combination of adverse global developments and their impact on the domestic economy in the preceding years.

The buoyancy in the Indian economy is reflected in the projections of the International Monetary Fund (IMF). IMF, in its World Economic Outlook – 2015, has projected India to become the fastest growing emerging economy in FY 2015-16.

Driven by the Government's policy initiatives, pick-up in investments and lower oil prices, the Fund estimates that India will grow at 7.5% in FY 2015. India is thus projected to overtake China, whose economy is expected to witness a deceleration in growth to 6.8% in FY 2015.

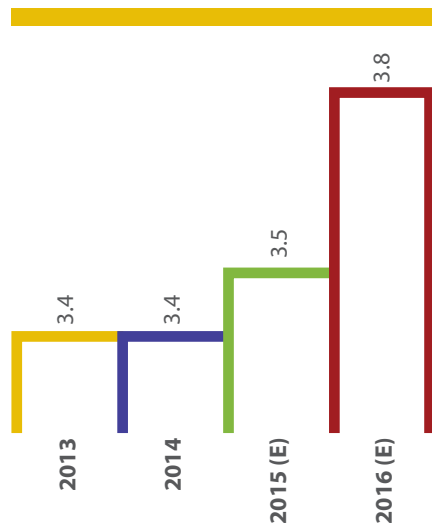
The projections of India's Finance Ministry and the Reserve Bank of India (RBI) for the current year are even more upbeat. While the Finance Ministry expects GDP to grow at 8-8.5% in FY 2015-16, the RBI expects it to clock 7.8%.

Aiming to promote growth, and as part of its emphasis on development of physical infrastructure, the Government has been focussed on resolving bottlenecks in power generation and distribution. Top of its agenda are issues relating to the increase of coal production for Coal India from 500 Million Tonnes in FY 2014-15 to 1 Billion Tonnes in FY 2019-20 and the establishment of processes and procedures for transparent auction of coal and mineral mines. Further, the Indian coal industry targets production from 612 Million Tonnes to 1.35 Billion Tonnes for the corresponding period. On the infrastructure front, the Finance Minister, in Budget 2015-16, announced increased outlays for both roads and railways by ₹ 14,031 Cr and ₹ 10,050 Cr, respectively. The total investment in infrastructure was increased by ₹ 70,000 Cr over the previous year.

The uptick in economic growth, coupled with the progressive initiatives by the Government, bode well for domestic growth in the coming years. This will have a cascading effect on the explosives industry, which will benefit immensely from the target set in the coal sector, as well as the mammoth investment planned for housing, townships and physical infrastructure.

GLOBAL ECONOMY AND EXPLOSIVES INDUSTRY

GROWTH IN WORLD OUTPUT (YEAR-ON-YEAR)



Source: World Economic Outlook, IMF – April 2015

Global Economy

The global economy grew at a steady pace of 3.3% in FY 2013 and FY 2014. It is expected to grow by a marginally higher rate of 3.5% in FY 2015, due to a comparative pickup in growth in advanced economies. This global growth comes despite a slowdown in emerging markets and developing economies, which accounted for three-fourths of overall growth in FY 2014.

Global activity was impacted by a combination of forces in FY 2014. These included an ageing population and declining potential growth, coupled with global shocks like lower oil prices. Many country or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies, also affected global growth.

Cumulatively, these factors are still shaping the world's economic outlook. However, fresh variables have been introduced into the global growth equation. For one, the Greece bailout package has disturbed the growth momentum in the European Union and the Balkan region. This has led to uncertainty in the global financial and commodity markets. Further, negotiations with Iran over its nuclear programme have adversely impacted the price of oil. Amidst these myriad developments, India continues to forge ahead with its pro-growth agenda and reforms in the mining sector. Consequently, even the World Bank has ranked India's expected rate of growth at 7.5% for FY 2015 - higher than that of China and all other major emerging markets.

Countries of interest

In the overseas markets, Solar currently has manufacturing facilities at Zambia, Nigeria and Turkey.

Nigeria

Faced with economic challenges, Nigeria's robust growth, which prevailed at around 7% during the past decade, could now mellow. Exchange-rate volatility and falling global oil prices have begun to

impact public-sector spending. The non-oil sector has been the main driver of growth. While services account for 57% of growth, manufacturing and agriculture contributed around 9% and 21%, respectively. This data reveals that the economy is becoming more diversified and services-oriented, in particular through retail and wholesale trade, real estate, information and communication. Further, low oil prices are likely to lead to a sharp drop in fiscal revenues. Nevertheless, the overall impact of oil prices on non-oil sector GDP could remain relatively muted and this sector could remain the main driver of growth over the medium term. The sector is, thus, expected to remain the main driver of growth over the medium term and, in the light of the recent macroeconomic challenges, the government has adopted an adjustment strategy that hinges on tightening government spending and shoring up non-oil revenues to compensate for dwindling oil revenues.

Zambia

After declining from 6.7% in FY 2013 to 5.7% in FY 2014, on the back of lower copper production as well as slower growth in manufacturing and public services, Zambia's economy has been gaining in strength and is expected to grow by over 6% in FY 2015-16. A catalyst to this growth will be the perception of Zambia as a peaceful and stable country, with robust governance and democratic processes, due to the recent presidential by-elections.

Compensating for the lower growth in the mining sector, agriculture has put up a strong performance, growing at over 6% as a result of a bumper maize harvest. Inflation is expected to decrease below 7.0% by FY 2017.

Looking ahead, Zambia's economic performance is expected to remain strong in the medium term on account of large investments in infrastructure and some success in fiscal consolidation in the recent past. The growing public administration and defence within the country will also spur growth as it creates jobs and boosts spending.



Controlled blasting at a mining site

Turkey

During FY 2015, Turkey is expected to grow at around 3%, far below the Mid-term Plan target (4%). The inflation rate is expected to move within a range of 6.5-7% towards the end of the year, despite dipping during the year. The current account deficit as a percentage of GDP will drop to 4.5%, i.e., around 35 billion USD, on the back of falling oil prices and relatively weak growth rates. In terms of impact, the sharp fall in oil prices seems to be a positive for Turkey in the short-term. However, improving the growth dynamics in the mid-term requires structural reforms designed to increase savings, improve competitiveness and enhance the investment climate.

Explosives Industry

Industrial explosives comprise cartridge explosives, bulk explosives, ANFO based explosives, including boosters and PETN as well as accessories for explosives such as safety fuses, detonating fuses and detonators. The global market is largely driven by bulk explosives. The mining industry is the largest consumer of industrial explosives, with coal mining

demand dominating over others, due to increasing demand for coal. Other segments that utilise explosives include limestone and metal mines besides infrastructure segments like roads, dams, canals and tunnels.

Global Explosives Industry

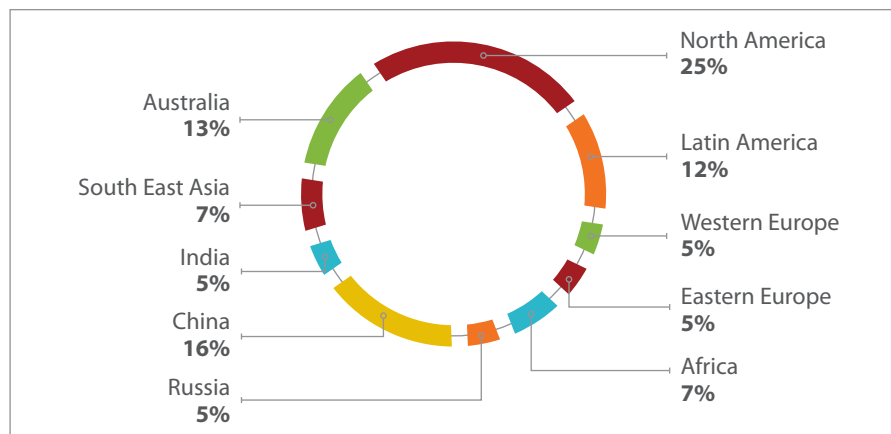
After taking a major blow during the recent recession, the global explosives market has rebounded strongly and is forecast to reach 15.8 million metric tonnes by FY 2018. The main drivers of this growth are expected to be growing demand from emerging economies and technological advancements focussed on the development of safe blasting technologies. Looking ahead, the need for more natural gas and a rising industrial production index will keep the growth rate moving along.

The fortunes of the explosives industry are closely linked with the metal/mineral extraction industry. More than 75% of the explosives production is consumed in mining operations alone across the globe. Accordingly, industrial explosives

have witnessed significant growth due to an increase in demand from its end user industries, such as mining and construction. While the market has entered a stabilisation phase in some countries, it is gathering momentum in other economies with the availability of extensive mineral deposits for excavation and a rebound in construction and quarrying activity.

Developing economies such as China, India and South Africa are expected to drive the growth of the explosives market with a rise in mining and construction, as well as manufacturing industries. In addition, civil works, such as roads, tunneling constructions and other development projects in emerging markets, are expected to drive market growth. An increasing focus on product innovation and technological advancements as well as on market expansion in developing and emerging regions is expected to provide new opportunities for the industrial explosives market. However, recent meltdown in commodities can hamper the explosives industry to some extent in short term.

GLOBAL INDUSTRIAL EXPLOSIVES MARKET



Indian Explosives Industry

Emerging economies such as India serve as a huge opportunity for the industrial explosives industry. The industry in India has grown not only to be self-sufficient in explosives, but also exports to a large number of countries. Rising construction activities and the significant growth of the mining industry are expected to boost the demand for various materials such as coal for electricity, limestone for cement and iron ore for steel. This, in turn, is expected to drive the demand for industrial explosives, which are used in mining iron ore and limestone for construction activities.

The industry for these explosives in India remains concentrated, with only a few companies enjoying a pan-India presence and the capacity to produce the whole range of industrial explosives. Solar Industries India Limited is a prominent player on account of the Company's thriving record of project execution as well as a strong brand name in the field of industrial explosives.

KEY DEMAND DRIVERS

Mining

Global Mining Industry

Calendar year 2014 was rough for the global mining industry, with prices of iron ore and gold receding to record lows. Survival

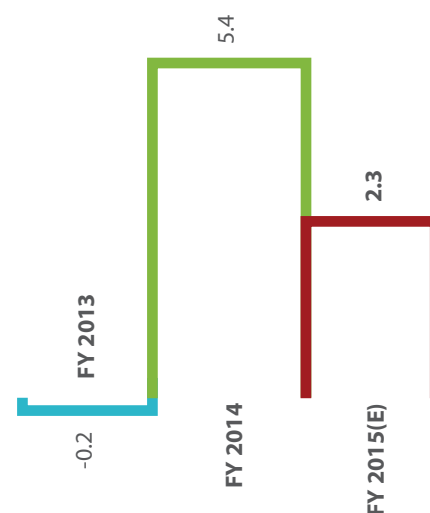
became tough in this environment, forcing many companies to reduce costs and postpone projects. Yet, in a way, it was a year of consolidation as volatile markets prompted some companies to expand their projects in an effort to enhance margins, while others upgraded outdated machinery and technology to improve productivity.

Overall, FY 2014 was a mixed year for the global mining industry. Some developed economies, including Australia, Canada and Norway, saw relatively rapid recovery in private investment due to mining and energy booms. In contrast, South Africa witnessed decline in growth - to 1.5% in FY 2014 from 2.2% in FY 2013, on account of mining strikes and electricity supply disruptions. Growth in the rest of the Sub-Saharan region, however, was strong on the back of increased investments in mining and infrastructure. Weak exports and investment in Peru caused a sharp slowdown in FY 2014, but concerted policy action and new mining operations should support a rebound in FY 2015. The same trend is being witnessed globally, across developed and emerging markets. The sector also faces other key risks in the form of capital dilemmas, resource nationalism, price and currency volatility, infrastructure access, sharing of benefits, balancing talent needs and access to water and energy.

Indian Mining Industry

Despite India's huge reserves of various natural minerals, the share of the mining and quarrying sector as a percentage of Gross Domestic Product (GDP) has declined from 2.8% in FY 2010-11 to 2.1% in FY 2013-14 (Provisional Estimates). This decline came against the backdrop of various judicial pronouncements and the Justice Shah Commission Report, which led to the suspension of several mining leases or closure of mines. The revival of the mining sector is now linked to providing a level playing field between domestic and foreign investors. The proposal is aimed not only at remedying the problems in the sector but also at creating an enabling environment based on sound principles of transparency and efficiency. Once the mining sector is back on track, the explosives industry is set to witness a new phase of growth.

GROWTH IN MINING AND QUARRYING AT CONSTANT PRICES (BASE = 2011-12)



Source: Economic Survey, FY 2014-15

Coal

The Government has set an excavation target of 1.35 Billion Tonnes of coal by FY 2020. According to the plans firmed up by Coal India along with the Union Coal Ministry, total output envisaged for Coal India's subsidiaries is about 900 Million Tonnes and other proposed New Projects for is about 100 Million Tonnes. Its plans for each of the subsidiaries are in place, though, and it also envisages opening up 70-100 mines to achieve the FY 2020 target. The Government has also assigned high priority to the early completion of critical railway projects for coal transportation. These developments will cumulatively facilitate the emergence of a more efficient and productive coal sector. This will, in turn, trigger greater demand for the explosives industry.

COAL INDIA'S PRODUCTION TARGET

| Entity | Production Target |
|--------------------------|-------------------|
| Mahanadi Coalfields | 250 MT |
| South Eastern Coalfields | 240 MT |
| Central Coalfields | 133 MT |
| Northern Coalfields | 110 MT |
| Eastern Coalfields | 62 MT |
| Western Coalfields | 60 MT |
| Bharat Coking Coal | 53 MT |
| Proposed New Projects | 92 MT |
| Total | 1,000 MT |

Source: <https://www.coalindia.in>

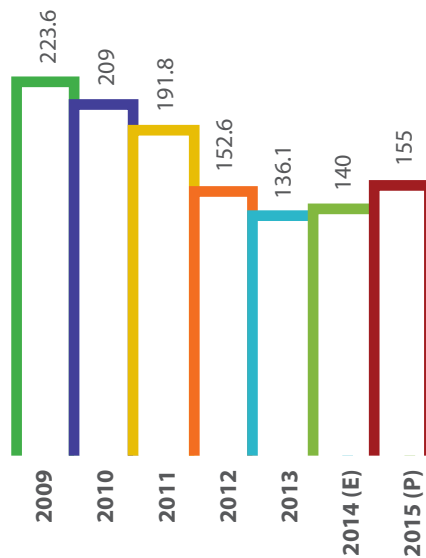
According to a vision statement prepared by Coal India, its success in meeting the target will also depend on switching to full mechanisation and adoption of latest technology, large-scale contract mining, upgrading skills of employees and deployment of sufficient manpower, speedy land acquisition, faster environment clearances and speedy state level clearances.

India has a burgeoning demand for coal as the country's power capacity is expected to increase significantly from around 230 GW in FY 2013 to around 319 GW by FY 2017. Higher production of coal necessitates higher requirement of explosives, auguring well for the Company.

Iron Ore

The iron ore mining industry is currently facing some hurdles in securing approvals to restart mines, especially in the three states of Odisha, Karnataka and Goa. Nevertheless, once these mines begin production, iron ore output is set to grow at a robust pace of 10% during FY 2015. Against an output of 140 Million Tonnes in FY 2014, domestic production is set to reach 155 Million Tonnes in FY 2015. Some positive developments that are imminent include the renewal of leases for mines in Goa, the formation of a new government in Jharkhand, issuance of clearances and permits in Odisha and revival of mines in Karnataka.

ANNUAL PRODUCTION OF IRON ORE



Source: OreTeam and Ministry of Mines

Limestone

Limestone is a key material used in manufacturing of cement. With the current Government's focus on infrastructure promotion, cement demand, which was muted for two years, grew by 10.29% to 16.43% between June 2014 and August 2014. On a cumulative performance basis, during the first ten months (April-January) of FY 2014-15, the cement sector grew by 7.09%. Looking ahead, cement demand is expected to grow at a compound annual rate of 8% between FY 2014-15 and FY 2016-17. Augmentation of cement capacities is a likely fallout

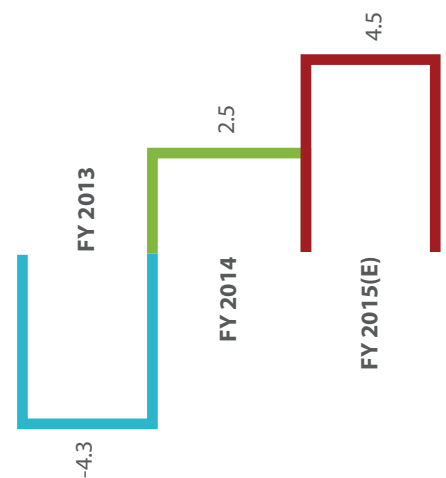
of this development. Also, the pick-up in cement demand implies a boost for limestone production, which in turn will give a fillip to the demand for industrial explosives.

Construction

Construction sector has two key segments, namely (a) Buildings including residential, commercial, institutional and industrial and (b) Infrastructure such as rail, road, dams, irrigation, airports and seaports, power systems, telecommunication systems, urban infrastructure including water supply, sewerage and drainage, as well as rural infrastructure.

The Indian Government has put strong emphasis on both these segments of the construction sector – infrastructure and housing & townships.

GROWTH IN CONSTRUCTION AT CONSTANT PRICES (BASE = 2011-12)



Source: Economic Survey 2014-15

- ▶ Infrastructure - It has allocated an increased investment ₹ 70,000 Cr over the previous year towards infrastructure, including roads and railways. It has also proposed the establishment of a National Investment and Infrastructure Fund (NIIF) with an annual flow of ₹ 20,000 Cr, to be leveraged by infrastructure companies for financing infrastructure projects.
- ▶ Housing and townships - In the interim budget, the Government had proposed an expenditure of ₹ 7,060 Cr

on developing 100 smart cities as satellite towns of larger cities and modernising existing mid-sized cities. It also enhanced allocation to the Rural Housing Fund, run by National Housing Bank (NHB), by ₹ 8,000 Cr for FY 2014-15. It further earmarked an additional ₹ 4,000 Cr to help NHB increase the flow of cheaper credit towards affordable housing for urban poor.

These, along with other initiatives, will give a fillip to construction sector, resulting in boost to the explosives industry.

Defence

Till some time ago, India was the world's largest arms importer, largely due to lack of domestically produced arms. To reduce significant outflows of valuable foreign currency as well as to promote domestic growth of the industry, the Government presented the Defence Procurement Policy in FY 2013, under which all Government procurements would need to have a minimum 30% (of such purchases) with indigenous content. This has opened up new business opportunities for the explosives sector in India.

Budget 2015-16 has also provided an outlay of ₹ 246,727 Cr for defence. The Government's 'Make in India' initiative, seeking to promote self-reliance, indigenisation, technology upgradation and achieving economies of scale and developing capabilities for exports in the defence sector, will also open up a large window of opportunity for the explosives sector.

OPERATIONAL REVIEW

Solar Industries India Limited (Solar) is the largest manufacturer of industrial explosives and explosive initiating systems in the country. The Nagpur-based Company has a licensed capacity of 4.02 Lacs tonnes for plants across the country. The Company's offerings include bulk and packaged (cartridge) explosives, apart from a wide array of initiating systems comprising detonators, detonating fuses and cast boosters.

Currently, Solar has 25 manufacturing facilities, spanning 10 states in India and 3 overseas units - in Zambia, Nigeria and Turkey.

The Company has acquired 100% stake in Emul Tek Private Limited and Blastec (India) Private Limited.

Solar commands a major share in the domestic market and caters to abroad-based clientele in the mining and infrastructure sectors. Its clientele can be categorised across Coal India, other mining institutions, trade, exports and overseas product sales. The Company is the largest supplier of industrial explosives to Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL). It also supplies to corporate giants such as Steel Authority of India Ltd. (SAIL), Oil and Natural Gas Corporation (ONGC), the Tata's, the Adani's, Jindal's, Vedanta, Reliance Power, NHPC, the Aditya Birla Group, etc. Solar is the largest exporter of explosives from India, supplying to 20 countries. The Company has also taken a strategic leap in the recently forayed defence sector through the execution of some early orders in the space. Looking ahead, the defence foray offers immense scope for growth.

FINANCIAL REVIEW

Annual Cost Analysis

The overall cost as percentage of net sales for the FY 2014-15 is 85.27% as against 86.14% in the previous year. The overall cost includes the raw material consumed, employee cost, depreciation, interest & finance cost and other expenses.

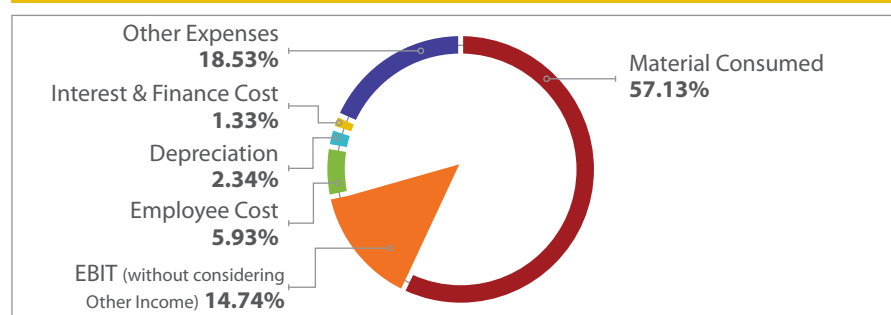
The material consumed as a percentage of overall expenses increased to 57.13% from 52.49% mainly on account of changes in product mix.

Employee costs, as a percentage of overall costs, remained steady.

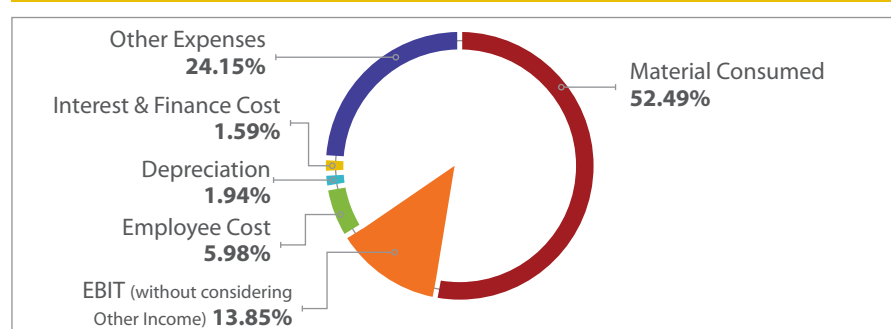
The useful life of fixed assets has been revised in accordance with the Schedule II to the Companies Act, 2013 from April 01, 2014 and therefore depreciation increased to 2.34% from 1.94%.

The interest and finance costs fell to 1.33% in FY 2014-15 from 1.59% in the previous year due to the repayment of Working Capital Loan of ₹ 107 Cr.

ANNUAL COST BREAK-UP (FY 2014-15)



ANNUAL COST BREAK-UP (FY 2013-14)



Gross Sales

The revenue of the Company in the FY 2014-15 stood at ₹ 1,456.47 Cr against ₹ 1,216.50 Cr in the FY 2013-14 registering a growth of 19.73%. The export and overseas sales constituted 27% of the total sales, whereas 73% was attributable to domestic sales.

EBIDTA

EBIDTA for FY 2014-15 was recorded at ₹ 261.92 Cr, as against ₹ 214.1 Cr in the previous year, translating into a growth of 22.34%. The EBIDTA margin was recorded at 19.47%, an increase of 45 basis points over the previous year.

Profit After Tax

The net profit after tax during FY 2014-15 grew to ₹ 147.41 Cr from ₹ 118.44 Cr in the previous year. This marked an increase of 24.46%. The PAT increased

due to a combination of an increase in sales as well as a reduction in costs. Our exports and overseas subsidiaries contributed more substantially to growth. We effected a reduction in our interest and finance costs through the repayment of borrowing and hedging of our foreign currency exposure.

Debt

The Company's overall (short-term and long-term) borrowings declined to ₹ 320.30 Cr from ₹ 423.93 Cr. As a result, the Debt equity ratio fell to 0.41 from 0.64 in the previous year.

Dividend

The Company distributed an interim dividend of ₹ 8 per share and has now proposed a further dividend of ₹ 9 per share. Subject to the approval of the proposed additional dividend at the AGM,

the Company will pay out a total of ₹ 17 per share for FY 2014-15, as against ₹ 12 per share in FY 2013-14.

Earnings per Share

Earnings per Share increased from ₹ 65.44 in the previous financial year to ₹ 81.45 as on March 31, 2015.

RESEARCH AND TESTING CAPABILITIES

Amid the acute need for explosive testing facilities and research laboratories in India, Solar Industries has set up R&D labs that are accredited by the Department of Science and Technology, Government of India. Continuous upgradation of product testing technologies is done at these labs on pilot plant scale. This helps ensure better economy, safety and reliability. The Solar labs also design tailor-made products for clients in mining and defence sector to meet their unique needs.



Plant visit organised for the Investors

RISK & CONCERNS

Solar Industries is one of the largest manufacturers of explosives in India, with close to two decades of experience in manufacturing. It is a professionally managed Company with its various business verticals headed by highly experienced and competent teams of professionals. The Company, over the years, has continuously enhanced its processes and built a robust and integrated risk management system. Some of the key risks faced by the Company and their mitigation plans are as under:

Hazardous risk

The Company's business is prone to accidents and requires a high level of safety.

Mitigation plan: Solar is cognisant of such risks and whole-heartedly supports the well-being of all its employees. Solar is an active member of SAFEX, an international apex body promoting best safety practices. The zero incident rate, frequency rate and severity rate reported during the year endorses the Company's commitment to safety. The Company regularly conducts safety training for all its employees directly or indirectly, across various processes and also follows regular safety check mechanism.

Economic and Political factors

Most of the end-use sectors for the Company are dependent on economic policies and infrastructure sector growth. This means that an economic slowdown can have an adverse impact on the business. On the flip side, proactive Government regulations and spending provide a great boost to infrastructure and mining growth. However, both these sectors are subject to many clearances and could face policy reversals.

Mitigation plan: Over the last two decades, the Company has seen many business cycles. This has lent the Company extensive experience in maintaining a reasonably leveraged balance sheet. Also, with best-in-class product offerings, Solar is the preferred supplier to all major players in the mining and infrastructure sectors. Further, diversification across clients and geographies insulate the Company from the adverse impact of any policies in a particular industry or sector. The Company has similarly built a diversified global clientele and regional base to mitigate this risk.

Regulatory factor

The highly sensitive commercial explosives industry is stringently regulated. Any kind of adverse decision by concerned authorities could impact the Company's core operations.

Mitigation plan: The Company abides by all the rules and laws set by the regulatory body and as such, is in possession of all the necessary licenses. Further, it restricts the sale of products only to licensed buyers, thereby complying wholly with the regulator's requirements.

Raw material price volatility

The price of the Company's key raw materials, Ammonium Nitrate (AN) and Diesel, tends to fluctuate, which can have an adverse trigger effect on its profitability.

Mitigation plan: To insulate itself from such price fluctuations, the Company has sales contracts with price escalation to a large extent. The Company also has the advantage of its unique position, with a high degree of backward integration (except AN manufacturing).

Competition risk

The tender system of supply to Coal India poses a constant risk of loss of business to competitors.

Mitigation plan: There are only a few players in the industry that are totally integrated, i.e. have a presence in most products. Solar Industries not only produces all five major products in this segment but has a veritable pan-India presence too. Further, a large part of the Company's business is tender-based, enabling it to participate and seize opportunities based on merit. However, margins can be impacted by aggressive bidding amongst customers.

Concentration risk

Concentration on few industries and clients could have an adverse impact on the Company's revenue if there is any slowdown in these segments.

Mitigation plan: Solar offers a vast bouquet of products that are used across mining and infrastructure segments. Further, the Company earns substantial revenues from its overseas operations and also from exports. Consequently, Solar remains well diversified geographically, as well as with its client base, thereby mitigating the risk to a large extent.





Clean and green environment at Solar Industries' manufacturing facilities

SAFETY, HEALTH, ENVIRONMENT

Safety

FY 2014-15 was an accident and mishap free year for Solar Industries. The Company has minimised chances of any untoward incident through increased training hours for every person. It has also covered all its plants with fire hydrant lines with 7 bar pressure. Further, new BMD vehicles are operated with safety systems .

Being part of a business that requires a high level of safety, the Company has been investing heavily in safety across its operations. It regularly incorporates safety modules and practices to strengthen standards as per the globally established norms. The Company is a member of SAFEX, an international apex body reporting and promoting best practices in safety standards of the explosive industry. Besides, the Company's processes are ISO 9001:2000 and ISO 14001:2004 certified. In addition, products exported to Europe have received CE certification.

Solar keeps the safety of employees dealing with explosives as paramount. Accordingly, the Company conducts training on safety at all levels. Such training is in-built into the systems as a

continuous, on-going practice to improve the safety performance and morale of the employees. Strong focus is placed on these training sessions to ensure positive behavioural changes and to pre-empt any incidents due to unsafe acts.

The Company also regularly conducts safety training workshops for operators and supervisors through internal and external experts.

Health

At Solar, employees and workers are considered the most important of assets and the Company takes a lot of care for their health, and also that of their families. The Company has initiated several measures to enable its employees mitigate health-related contingencies and enhance their work concentration levels.

Health check-ups at concessional rates at a recognised hospital were among the various initiatives taken by the Company as part of its healthcare programme during the year.

Environment

Solar Industries not only respects the ecosystem it operates in but also works consistently towards conserving it. The Company has adopted eco-friendly technologies across its various operational processes. These policies are aimed at minimising pollution, controlling waste and conserving natural resources. The Company is accredited with OHSAS 18001:2007 certification.

Initiatives for preserving environment

The Company undertook a number of initiatives for environment preservation during the year.

- ▶ Distribution of 450 improved chulhas & 50 Solar Cookers in the surrounding villages to reduce their dependency on fuel wood, thereby preserving the nearby forest areas. This programme was carried out in association with the Bio-diversity Board. The consumption of fuel reduced by almost 50%.
- ▶ Plantation of trees across the manufacturing areas.
- ▶ Creation of bunds for rainwater harvesting.
- ▶ Plantation on hillsides to reduce natural erosion.

| NO. OF TRAININGS CONDUCTED | NO. OF PERSONNEL TRAINED | TOTAL MAN-HOURS OF TRAINING |
|--|---|---|
| Supervisor/Executive level: 39 | Supervisor/Executive level: 282 | Supervisor/Executive level: 1,412 |
| Operator level: 273 | Operator level: 3,353 | Operator level: 4,027 |

CORPORATE SOCIAL RESPONSIBILITY

Following the lead of its Chairman, Shri Satyanarayan Nuwal, Solar Industries truly lives by the adage 'Service to Man is Service to God'. The Company strongly believes that contributing time, knowledge and money to social development is the finest form of worship. This philosophy, which has percolated from the top management, has resulted in deep commitment to the upliftment of the less fortunate communities that reside in their vicinity of the Company's plants and other locations.

In line with this philosophy, the Company has planned a series of initiatives as part of its CSR programme. Through the Rotary foundation, the Company seeks to render qualitative healthcare facilities to people in the region for prevention of various diseases. The initiative taken in this regard includes installation of medical equipments in the recognised hospitals

The Company has allocated a total of ₹ 177.5 lakh for medical equipment



Solar Industries donates generously towards community welfare activities

and facilities at various well-recognised hospitals under Disease Prevention and Care Projects. In addition, the Company is open to funding other activities as may be decided from time to time.

A blood donation camp was also conducted through Government Medical College.

Further, in pursuit of Rural Infrastructure Development and Cleanliness, the Company has embarked on a rainwater harvesting project at Village Shiva, Tal. Nagpur (Gramin) in Nagpur. The harvesting will enable enhancement of water levels in nearby areas and provide clean and safe drinking water to people in the vicinity.

Beyond its dedication to improving hospital and health care, the Company is also committed to other social causes, including promoting safety and awareness, training and employment, rural infrastructure development and cleanliness, education and sports, supporting the green revolution and environmental issues, etc. It envisages pursuing these missions in a phased manner.

Under the benevolent guidance of its Chairman, Shri Satyanarayan Nuwal and supported by the management and employees, the Company looks forward to further augmenting and enhancing its CSR activities, going forward.



Blood Donation camp in progress



Distribution of Solar Cooker at Sawanga Village

HUMAN RESOURCES MANAGEMENT

Solar Industries has always lived by its human resource philosophy, which centres around talent acquisition, training and development, leadership development, maintaining healthy employee relations, emphasis on compliances and on productivity improvement. To achieve these goals, the Company regularly undertakes training and development programmes, engages employees in various activities and encourages talent through mentoring and entrusting them with responsible positions.

Over the years, the Company has instituted robust and dynamic HR policies that guide its employees and nurtures an environment in which they are perceived as strategic business partners. The policy not only gives clarity on individual roles but also aligns the employee goals with the Company's objectives. Consequently, Solar's employees continue to play a supportive role and attrition is kept to the minimum.

During the year under review, the Company organised Management Development Programmes in partnership with the renowned Management Institutes.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of the same in line with the provisions of the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder.

The Company has constituted a committee for taking action against the sexual harassment pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints / grievances on the sexual harassment at work places.

INTERNAL CONTROL SYSTEMS

Solar Industries has established appropriate internal control systems and procedures, which are compatible with the size of its operations and business. These systems give authenticity to the information, reports, records, documents, transactions, and serve as a strong foundation for decision-making for the management. With a view to ensuring that the adopted systems are adhered to and the controls are not flouted, a firm of chartered accountants conducts an Internal Audit of operations, establishments and stockyards on a regular basis. The Audit Committee reviews the reports of the Internal Auditors and monitors the overall effectiveness and the operational efficiency of the internal control systems. The Audit Committee provides valuable suggestions from time to time towards improving the business processes, systems and internal controls.

At present, the Company is working on ERP (SAP ECC6.0 EHP5 module), which helps in business activities such as material management, finance, payroll and sales & distribution. During the year under review, the Company also implemented plant maintenance and quality

management modules to enhance the performance of the plant, as well as for testing the quality of raw materials and finished goods.

OUTLOOK

Against a backdrop of robust performance, we look forward to a future full of promise. All the sectors which form our consumer caucus - mining, infrastructure and construction - are witnessing policy changes that are expected to result in structural strengthening and phenomenal growth. This gives us plenty of reason to be optimistic. The defence sector too, which is moving strategically from imports to domestic sourcing of its requirements, has opened up colossal opportunities for your Company.

When we turn to examine opportunities overseas too, we are pleasantly greeted with positive developments that will bode well for the Company. Zambia, which saw a dip in economic growth last year, is back on the recovery path. This translates into an improvement in the scope of our operations in that country.

It has always been our philosophy to anticipate opportunities and make the most of them when they present themselves. As we complete two eventful and rewarding decades in this industry, we foresee numerous prospects for further growth and development. Rest assured that with the support of all our stakeholders and well wishers, we will successfully pursue them.



Participants at the General Management Development Programme

NOTICE CALLING ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) will be held on Wednesday, September 09, 2015 at 12:30 p.m at Hotel Tuli Imperial, Central Bazar Road, Ramdaspath, Nagpur – 440 010, Maharashtra to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1

To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2

To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2014 - 15.

ITEM NO. 3

To appoint a Director in place of Shri Manish Nuwal (DIN: 00164388), who retires by rotation, and being eligible, offers himself for re-appointment.

ITEM NO. 4

To ratify the appointment of Auditors of the Company who were appointed at 19th Annual General Meeting for 3 years and are eligible for re-appointment. The Company wants to ratify their appointment and in this regard 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 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditor) Rules, 2014, the appointment of M/s Gandhi Rathi & Co, Chartered Accountants (Firm Registration No.103031W), has been approved in the 19th Annual General Meeting until the conclusion of 22nd Annual General Meeting be and is hereby ratified in this Annual General Meeting for the FY 2015-2016 till the conclusion of next Annual General Meeting at such remuneration plus service tax, out of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the auditors.”

SPECIAL BUSINESS:

ITEM NO.5

Confirmation of Appointment of Director appointed in Casual Vacancy:

To regularise the appointment of Shri Anil Kumar Jain (DIN:03532932) as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Anil Kumar Jain (DIN:03532932) who was appointed as a Director in Casual vacancy pursuant to the provisions of Section 161 of Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this 20th Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, proposing the candidature of Shri Anil Kumar Jain (DIN: 03532932), for appointment as an Executive Director.

FURTHER RESOLVED THAT pursuant to the provisions of Section 152, 203 and all other applicable provisions of Companies Act, 2013 along with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory, modification(s) or re-enactment thereof for the time being in force) Shri Anil Kumar Jain (DIN:03532932) be and is hereby appointed as an Executive Director of the Company and is not liable for retire by rotation.

RESOLVED FURTHER THAT the Board of Directors 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

Confirmation of Appointment of Additional Director :

To confirm the appointment of Smt. Madhu Vij (DIN:00025006) as a Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Smt. Madhu Vij who was appointed as an additional director with effect from March 23, 2015 on the board of the company in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from the member proposing her candidature for the office of the Director under Section 160 of Companies Act, 2013 be and is hereby appointed as a Non Executive Independent Director on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.”

ITEM NO. 7

Appointment of Woman Independent Director :

To appoint Smt Madhu Vij (DIN:00025006) as an Independent Woman Director and in this regard 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 149,150,152 read with Schedule IV and all other applicable provisions of Companies Act, 2013 along with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory, modification(s) or re-enactment thereof for the time being in force) and Clause 49(II)(A)(1) of the Equity Listing Agreement , Smt. Madhu Vij (DIN:00025006) who holds the

office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from the member proposing her candidature for the office of the Director be and is hereby appointed as Non-Executive Independent Director of the Company, to hold office for 5(Five) consecutive years from the conclusion of this General Meeting up to the conclusion of 25th Annual General Meeting to be held in the year 2020 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

ITEM NO.8

Remuneration to Cost Auditors :

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2015-16 ending on March 31, 2016, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors 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

Date: May 25, 2015
Place: Nagpur

(Khushboo A. Pasari)
Company Secretary

Registered office:

11, Zade Layout, Bharat Nagar,
Nagpur - 440 033 (M.S.)
CIN: L74999MH1995PLC085878
Email investor.relations@solargroup.com
Website: www.solargroup.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORISED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY A CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORISING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
3. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the special business is annexed hereto.
4. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking Appointment/re-appointment at the forthcoming Annual General Meeting is incorporated in the annexure to the notice.
5. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s Gandhi Rathi & Co, Chartered Accountants are eligible to hold office for a period of three years i.e., upto 2017. The Company ratifies the appointment of M/s Gandhi Rathi & Co, Chartered Accountants as auditors from the conclusion of the 20th Annual General Meeting till the conclusion of the 21st Annual General Meeting, to be scheduled in 2016 and to fix their remuneration for the year 2015-16 has been put up for the approval of members.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from August 31, 2015 to September 11, 2015 (both days inclusive) for annual closing and determining the names of members eligible for Final Dividend on Equity Shares for the year 2014 - 15 if declared at 20th the Annual General Meeting.

7. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400078, quoting Registered folio number, details of their Bank Account/Change in Bank Account, if any to enable the Company to print these details on the Dividend warrants, and change in their address, if any, with Pin Code Number. Members holding shares in electronic form shall address communication to their respective Depository Participants only.
8. Subject to the provisions of Section 126 of the Companies Act, 2013, the payment of Dividend, upon declaration by the shareholders at the forth coming Annual General Meeting, will be made on or after September 25, 2015 as under:
- To all those beneficial owner(s) holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on August 28, 2015
 - To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on August 28, 2015
9. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. 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 their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar.
11. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
12. During the financial year 2015, the Company has transferred to the Investor Education & Protection Fund, the unclaimed Final Dividend for the year 2006-2007 and Interim Dividend for the year 2007-2008.

During the current financial year 2016, Company will be required to transfer the unclaimed Final Dividend for the year 2007-08. Those Members who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or write to the Company in the matter to enable the Company to issue Demand Drafts in lieu thereof.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 4, 2014 (date of last Annual General Meeting) on the website of the

Company (www.solargroup.com), as also on the website of the Ministry of Corporate Affairs.

- In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
- Members who have not registered their Email addresses so far are requested to register their Email address with the Company for the purpose of service of documents viz. Annual Report, Notice of General Meetings, etc. by email.
- Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- Members/Proxies are requested to bring the copy of Annual Report to the meeting.
- Voting through Electronic means:

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on September 02, 2015. (End of Day) being the Cut-off date (Record date for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by CDSL.

The voting period begins on September 4, 2015 and ends on September 6, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of September 02, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for shareholders voting electronically are as under:

A. For members who receive notice of Annual General Meeting through E-mail:

- The voting period begins on September 4, 2015 at 10:00 a.m. and ends on September 6, 2015 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 02, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website www.evotingindia.com.

- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of SOLAR INDUSTRIES INDIA LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you

may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

B. In case of members who receive notice of Annual General Meeting in physical Form:

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading C below for more details.
- (ii) Members may alternatively opt for e-voting, Please follow steps from sl. no. (i) to sl. no. (xviii) Under heading A above to vote through e-voting platform.

C. For members who wish to vote using Ballot Form:

- (i) Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Shri Tushar Pahade of M/s T. S. Pahade & Associates, Practising Company Secretaries, Unit: Solar Industries India Limited. C/o. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078, so as to reach by 5:00 p.m. on September 6, 2015. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final
- (ii) In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

D. General Instructions

- (i) The Company has appointed Shri Tushar Pahade of M/s T. S. Pahade & Associates, Practising Company Secretaries (FCS No. 7784 CP No. 8576), having address Unit: Solar Industries India Limited. C/o. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078, as a Scrutiniser for conducting the e-voting process, (including voting through Ballot Form received from the members) in a fair and transparent manner.
- (ii) The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- (iii) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the relevant Rules. In such an event, votes cast under poll taken together with the votes cast through E-Voting and using Ballot Form shall be counted for the purpose of passing resolution(s).

By Order of the Board

Date: May 25, 2015

Place: Nagpur

(Khushboo A. Pasari)

Company Secretary

Registered office:

11, Zade Layout, Bharat Nagar,

Nagpur - 440 033 (M.S.)

CIN: L74999MH1995PLC085878

Email investor.relations@solargroup.com

Website: www.solargroup.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 3

Shri Manish Nuwal(DIN: 00164388) who retires by rotation and being eligible, offers himself for re-appointment.

As regards re-appointment of retiring director Shri Manish Nuwal (DIN : 00164388) referred to in item No. 3, of the Notice, brief resume of Shri Manish Nuwal, his nature of expertise in specific functional areas, names of Companies in which he hold directorships/chairmanship of Board Committees, shareholding and relationships between directors is provided in the Annexure attached to the Notice. The Board of Directors recommends his re-appointment.

Except promoter Directors and Key Managerial Personnel of the Company and their relatives, no other person is concerned or interested in the Resolution set out respectively at item no. 3 of the notice.

ITEM NO.5

Details of Director Seeking appointment at the 20th Annual General Meeting

Shri Anil Kumar Jain (DIN:03532932) was appointed on May 25, 2015 to fill up the casual vacancy caused due to the resignation of Shri Kundan Singh Talesra. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Shri Anil Kumar Jain as an Executive Director of the Company.

Shri Anil Kumar Jain (DIN:03532932) is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as director and will not be liable for retire by rotation.

The Board feels that presence of Shri Anil Kumar Jain on the Board is desirable and would be beneficial to the company and hence recommends resolution pertaining to the appointment of Shri Anil Kumar Jain as an Executive Director on the Board of the Company under Item No. 5 in the Notice conveying this 20th Annual General Meeting to be passed as ordinary resolution.

Brief resume of Shri Anil Kumar Jain, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors is provided in Annexure attached to the Notice.

None of the Directors and Key Managerial personnel or their relatives of the Company other than Shri Anil Kumar Jain (DIN:03532932) are in any way concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6 and 7

Confirmation of the appointment of Smt Madhu Vij as woman director categorised as Non- Executive Independent Director

Smt. Madhu Vij (DIN: 00025006) was appointed as an Additional Director by the Board of Directors of the Company on the meeting held on March 23, 2015.

It is proposed to appoint Smt. Madhu Vij (DIN: 00025006) as an Independent Director under Section 149 of the Act and the rules framed thereunder and as per Clause 49 of the Listing Agreement to hold office for a period of 5(Five) consecutive years beginning from the conclusion of this Annual General Meeting up to the conclusion of 25th Annual General Meeting to be held in the year 2020.

Smt. Madhu Vij (DIN: 00025006) is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as director.

The Company has received declaration from Smt. Madhu Vij (DIN:00025006) that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the board, Smt. Madhu Vij (DIN: 00025006) fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and is Independent of the management.

Brief resume of Smt. Madhu Vij (DIN: 00025006), nature of her expertise in specific functional areas and names of companies in

which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors is provided in the Annexure attached to the Notice.

Copy of the letter for appointment of Smt. Madhu Vij as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Smt. Madhu Vij is interested in the resolution set out at Item No.6 and 7 of the Notice with regard to her respective appointment. The Board commends the Ordinary Resolutions set out at Item No.6 and 7 of the Notice for approval by the shareholders.

Save and except the above, 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.

ITEM NO.8

Remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment 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 2015-16 ending on March 31, 2016 at the Audit Fees of ₹ 1,00,000 (Rupees one lakh only).

None of the directors and key managerial personnel of the Company or their relatives are in anyway concerned or interested, financially or otherwise in the resolution set out at item no. 8 of the Notice.

By Order of the Board

Date: May 25, 2015
Place: Nagpur

(Khushboo A. Pasari)
Company Secretary

Registered office:

11, Zade Layout, Bharat Nagar,
Nagpur - 440 033 (M.S.)
CIN: L74999MH1995PLC085878
Email investor.relations@solargroup.com
Website: www.solargroup.com

ANNEXURE TO ITEM NO.3, 5,6 AND 7.**Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting
(in pursuance of Clause 49 of Listing Agreement)****As on March 31, 2015**

| Name of the Director | Shri Manish Nuwal | Shri Anil Kumar Jain | Smt Madhu Vij |
|---|---|-------------------------------|---|
| Date of Birth | 12/03/1974 | 21/11/1951 | 16/07/1955 |
| Nationality | Indian | Indian | Indian |
| Qualifications | Chartered Accountant and B. Com | B.Sc., B.E. | M. Com, M. Phil, Ph. D |
| Expertise in Specific Functional Area | Vast and rich experience in finance and management skills | Plant and operations | International Financial Management, Financial Management, Management of Financial Services, Management Accounting |
| Number of Shares held in the Company | 862813 | NIL | NIL |
| List of the Directorship held in other companies | 1 Economic Explosives Limited 2 Solar Mines & Minerals Limited 3 Solar Mining Resources Limited 4. Solar Initiating Systems Limited 5. Blastec (India) Private Limited 6. Emul Tek Private Limited | 1 Economic Explosives Limited | 1 Singer India Limited 2 SMC Global Securities Limited 3 Amtek Auto Limited 4 Kohinoor Food Limited |
| Chairman/ Member in the committees of Board of Companies in which he/she is the Director | Member of Audit Committee of Economic Explosives Limited | NIL | Member in Audit committee of Singer India Limited. |

- Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies & Foreign Companies
- Committee Membership includes only Audit Committee & Stakeholders Relationship Committee of other Public Limited Companies

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 20th Annual Report on the business and operations of the Company together with the Audited Balance Sheet and Profit & Loss Accounts for the year ended on March 31, 2015.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net Revenue from operations | 103458.00 | 92112.55 | 135979.92 | 114411.61 |
| Less: Expenditure | 85932.98 | 78141.33 | 109787.72 | 92998.04 |
| Operating profit (PBIDT) | 17525.02 | 13971.22 | 26192.20 | 21413.57 |
| Interest | 723.83 | 1448.24 | 1785.12 | 1785.65 |
| Profit before Depreciation & Tax (PBT) | 16801.19 | 12522.98 | 24407.08 | 19627.92 |
| Less: Depreciation | 1766.20 | 1257.36 | 3145.33 | 2186.92 |
| Profit before Tax & Exceptional item | 15034.99 | 11265.62 | 21261.75 | 17441.00 |
| Less: Exceptional item | 1000.14 | 1000.14 | 1000.14 | 1000.14 |
| Profit before Tax | 14034.85 | 10265.48 | 20261.61 | 16440.86 |
| Less: Provision for Taxation | 3242.51 | 1881.04 | 4628.30 | 3490.38 |
| Profit after Tax | 10792.34 | 8384.44 | 15633.31 | 12950.48 |
| Share of profit transfer to minority | | | 892.62 | 1106.29 |
| Stock Reserve | | | 485.44 | 28.47 |
| Balance brought forward | 15746.87 | 12251.45 | 26186.19 | 21251.62 |
| Balance available for appropriation | 26539.21 | 20635.89 | 41412.31 | 33124.27 |
| Appropriation: | | | | |
| Interim Dividend | 1447.84 | 904.90 | 1457.94 | 886.68 |
| Proposed Dividend | 1628.82 | 1266.86 | 1628.82 | 1266.86 |
| Tax On Dividend | 332.19 | 217.24 | 515.74 | 284.54 |
| Adjustment of Taxes | | | 19.95 | |
| Adjustment of Depreciation | 582.51 | | 693.42 | |
| General Reserve | 3000.00 | 2500.00 | 5000.00 | 4500.00 |
| Balance Profit Carried To Balance Sheet | 19547.85 | 15746.87 | 32096.44 | 26186.19 |
| Earning Per Share (EPS) | 59.63 | 46.33 | 81.45 | 65.44 |

RESULTS OF OPERATION

Standalone Reaching

- During the financial year ending on March 31, 2015 the Company achieved turnover of ₹ 111684.56 lacs as against turnover of ₹ 98551.23 lacs achieved during the previous year, which is a significant increase in turnover by 13.33 %.
- The Profit After Tax (PAT) for the financial year 2014 - 15 is ₹ 10792.34 lacs against ₹ 8384.44 lacs in the previous year 2013-14.
- Profit before Interest, Depreciation, Amortisation, Exceptional Items & Tax stood at ₹ 17525.02 lacs as against ₹ 13971.22 lacs in the previous year.
- Earnings Per Share as on March 31, 2015 is ₹ 59.63 vis a vis against ₹ 46.33 as on March 31, 2014.
- The net worth of the Company has increased and stands at ₹ 52360.37 lacs for the fiscal year 2014 - 15 from ₹ 45559.38 lacs of the previous fiscal year 2013 - 14.

Consolidated Reaching

- During the financial year ending on March 31, 2015 the Company achieved turnover of ₹146285.63 lacs as against turnover of ₹ 122377.53 lacs achieved during the previous year, which is a significant increase in turnover by 19.54%.
- The Profit After Tax (PAT) after transferring the share of profit of Minority Interest for the financial year 2014 - 15 is ₹ 14740.69 lacs against previous year ₹ 11844.19 lacs in 2013-14.
- Profit before Interest, Depreciation, Amortisation, Exceptional Items & Tax stood at ₹ 26192.20 lacs as against ₹ 21413.55 lacs in the previous year.
- Earnings Per Share as on March 31, 2015 is ₹ 81.45 vis a vis against ₹ 65.44 as on March 31, 2014.
- The net worth of the Company has increased and stands at ₹ 77588.29 lacs in the fiscal year 2015 from ₹ 66157.41 lacs at the end of fiscal year 2014.

APPROPRIATIONS:**DIVIDEND:**

Summary of Final Dividend declared by the Company in the year 2014 and recommended for the year 2015 are given below:

(₹ in Lakhs)

| Final Dividend for the Year | Rate of Dividend | Amount of Dividend | Dividend Distribution tax | Total Outflow |
|-------------------------------|------------------|--------------------|---------------------------|---------------|
| 2014 | 70% | 1266.86 | 217.24 | 1484.10 |
| 2015 (if approved by members) | 90% | 1628.82 | 332.19 | 1961.01 |

Your Directors recommend a Final Dividend of 90% (₹ 9/- per Equity Share of ₹ 10/- each) to be appropriated from the profits of the year 2014 - 15, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations.

Pursuant to the approval of Board of Directors on November 10, 2014, your company had distributed an interim dividend of ₹ 8/- per share, on face value of ₹ 10/- each.

The total dividend for the year ended on March 31, 2015 would accordingly be ₹ 17 per Equity share (170% of face value) as against the total dividend of ₹ 12 per Equity Share (120% of face value) for the year ended on March 31, 2014. The total outgo due to Dividend of the Company is ₹ 3,602.50 lacs, including dividend distribution tax as against ₹ 2,438.08 lacs in the previous year. The Dividend payout Ratio of your Company is 24.44%.

TRANSFERS TO RESERVES:

The Company has transferred ₹ 5,000.00 lacs to the general reserve out of the amount available for appropriations and an amount of ₹ 32,096.44 lacs is proposed to be retained in the statement of profit and loss.

CREDIT RATINGS:

CRISIL has upgraded its ratings on the for long term borrowings of Solar Industries India Ltd (SIIL) to "CRISIL AA/Stable" from "CRISIL AA/- Positive". The ratings reflect SIIL'S strong market position, good operating efficiencies (backed by prudent raw material procurement policies and backward integration), and strong debt protection measures. To arrive at its ratings, CRISIL has combined SIIL'S financial and business profiles with those of its subsidiaries.

In addition to long Term rating, CRISIL has also re-affirmed the rating of Short Term Borrowings of the SIIL to "CRISIL A1+".

SUBSIDIARY OPERATIONS:

As a purposeful strategy, your Company carries all its business operations through several subsidiaries and associate companies which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of a majority stake in existing enterprises.

Incorporation of Step down Subsidiaries during the year:

During the year under review, two step down overseas subsidiaries were incorporated following are details;

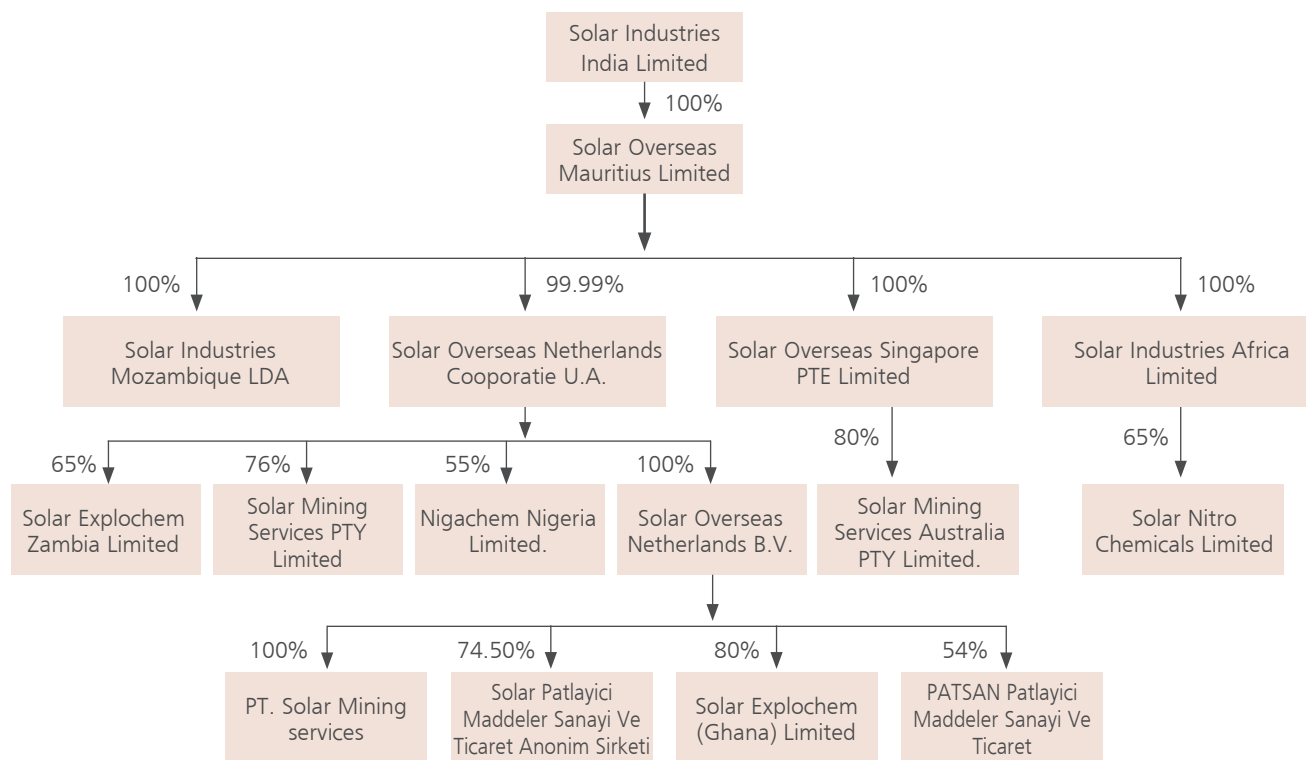
1. Solar Industries Africa Limited in Mauritius through subsidiary Solar Overseas Mauritius limited.
2. Solar Mining Services Pty Ltd in South Africa through our step down subsidiary Solar Overseas Netherlands Cooperative U.A.

ACQUISITION:

Post March 31, 2015 the Company has acquired the following;

1. 498766 Equity Shares aggregating to 100% stake of M/s Blastec (India) Private Limited.
2. 4977700 Equity Shares aggregating to 100% stake of M/s Emul Tek Private Limited.

Accordingly, M/s Blastec (India) Private Limited and M/s Emul Tek Private Limited are the wholly owned subsidiaries of your company.

CURRENT FOREIGN HOLDING STRUCTURE OF SOLAR INDUSTRIES INDIA LIMITED

AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

The Board of Directors of your Company at its meeting held on May 25, 2015, approved the Audited Consolidated Financial Statements for the financial year 2014 - 15 which includes financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the financial year 2014 - 15, have been prepared in compliance with applicable Accounting Standards and Listing Agreement requirement as prescribed by the Securities and Exchange Board of India.

A report on the performance and financial position of each of subsidiaries of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to Section 129 of the Companies Act, 2013 in the Form AOC-1 forms part of this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.solargroup.com. These documents will also be available for inspection during business hours at our registered office of the Company

The policy determining the material subsidiaries as approved may be accessed on the Company's website at the link <http://solargroup.com/uploads/investors/policies/PDMS.pdf>

DEPOSITS

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

DIRECTORS:

Director's Retiring by Rotation

In terms of Articles of Association of the Company and as per Section 152(6) of the Companies Act, 2013 provides that 2/3rd of the Board of Directors is considered to be Directors liable to retire by rotation, of which 1/3rd shall retire at every Annual General Meeting of the Company as per Section 152(6) (e) of the Companies Act, 2013 and the Company shall have an option to re-appoint the retiring Director or appoint someone else in his place.

This year Shri Manish Nuwal (DIN 00164388) shall retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

The Boards of Directors have recommends his re-appointment for consideration of the Shareholders.

The brief resume and other details relating to Shri Manish Nuwal (DIN 00164388) who is proposed to be re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement, is incorporated in the annexure to the notice calling 20th Annual General Meeting of the Company.

DIRECTOR'S APPOINTMENT

a) Shri Anil Kumar Jain

In accordance with Section 161 of the Companies Act, 2013 and of the Articles of Association of the Company, Shri Anil Kumar Jain (DIN: 03532932) was appointed as a Director in casual vacancy with effect from May 25, 2015. Shri Anil Kumar Jain would hold office till the conclusion of this Annual General Meeting of the Company scheduled to be held on September 9, 2015.

The requisite notices together with necessary deposits have been received from a Director pursuant to Section 160 of the Companies Act, 2013, proposing the election of Shri Anil Kumar Jain as an Executive Director of the Company.

b) Smt Madhu Vij

Mrs. Madhu Vij (DIN 00025006) was appointed as an Additional Director by the Board of Director w.e.f. March 23, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and of Article of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of this 20th Annual General Meeting.

The Company has received request in writing from a member of the company pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Madhu Vij for appointment as Non-Executive Independent Director of the Company.

DIRECTOR'S CESSATION

Shri Kundan Singh Talesra

Shri Kundan Singh Talesra, Executive Director has stepped down from the Board effective from May 25, 2015. The Directors wish to record their gratitude and appreciation for the wise counselling and contributions by Shri Kundan Singh Talesra during his tenure as a Director of the Company. Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

KEY MANAGERIAL PERSONNEL

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions and rules of the Companies Act, 2013 following existing executives of the Company were designated as the Key Managerial Personnel of the Company on May 26, 2014.

- Shri Satyanarayan Nuwal – Chairman and Executive Director,
- Shri Kailashchandra Nuwal – Executive Director,
- Shri Manish Nuwal – Executive Director,
- Shri Kundan Singh Talesra – Executive Director and Chief Executive Officer,

- Shri Roomie Dara Vakil – Executive Director,
- Shri Nilesh Panpaliya – Chief Financial Officer
- Mrs. Khushboo Pasari – Company Secretary

However, as Shri Kundan Singh Talesra, Executive Director and CEO of the Company has stepped down from the Board on May 25, 2015, the Board of Directors of the Company has appointed Shri Manish Nuwal as a Chief Executive Officer in his place.

Further, Shri Anil Kumar Jain, Director has also been designated as Key Managerial Personnel being Executive Director of the Company in place of Shri Kundan Singh Talesra.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the performance of directors in individual capacity as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholder Relationship and Corporate Social Responsibility Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Managerial Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

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 A".

AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s Gandhi Rathi & Co. Chartered Accountants had been appointed as Statutory Auditor of the Company in the 19th Annual General Meeting of the Company who are eligible to hold the office for a period of three years until the conclusion of the 22nd Annual General Meeting subject to ratification in every Annual General Meeting of the Company.

Accordingly, the appointment of M/s Gandhi Rathi & Co. Chartered Accountants the current Statutory Auditors of the Company is ratified up to the conclusion of the 21st Annual General Meeting to be held in the year 2016.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There were no adverse remarks or qualification on accounts of the Company from the Statutory Auditors. The Report of Auditors of the Company M/s Gandhi Rathi & Co., Chartered Accountants

on the Annual Accounts of Solar Industries India Limited Standalone and Consolidated with Subsidiary Companies forms part of this report.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit of the Cost and related records of the Company for the year 2014 - 15 was undertaken by Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Nagpur the Cost Auditor of the Company.

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

The Board of Directors of the Company as per Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 had, on the recommendation of the Audit Committee, appointed Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2015 on a remuneration of ₹ 1,00,000/- (Rupees one lakh only). As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Shri Deepak Khanuja, Partner of Khanuja Patra & Associates, Nagpur, Cost Auditors is included at Item No. 8 of the Notice convening the 20th Annual General Meeting of the Company.

Internal Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company on quarterly basis by M/s B. K Banka & Associates, M/s Ekbote Deshmukh & Co. and M/s Patel Madan Malpani & Co. the Internal Auditors of the Company.

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

M/s B. K Banka & Associates, Chartered Accountant the Internal Auditor of the Company has resigned. However, the Board of Directors of the Company has appointed M/s Ekbote Deshmukh & Co. Chartered Accountants and M/s Patel Madan Malpani & Co. 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 2015 - 2016.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year 2014 - 15 was undertaken by Shri Anant B. Khamankar, Practising Company Secretary the Secretarial Auditor of the Company.

The Report of Auditors of the Company M/s Anant B Khamankar & Co., Company Secretaries on the Secretarial and related records of the Company is annexed herewith as "Annexure B".

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

The Board of Directors of the Company appointed Shri Anant B. Khamankar, Practising Company Secretary, to conduct the Secretarial Audit as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribed under Section 204 of the Companies Act, 2013 for the financial year 2015 - 2016.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was 1809.80 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure C".

MEETINGS

Board of Directors

During the year Five Board Meetings were convened and held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Committee Meetings

The Company has total four Committees namely Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Each Committee met five times during the year under review.

The Committee meetings were convened and held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The details of which are given in the Corporate Governance Report. The gap between two Meetings did not exceed four months.

AUDIT COMMITTEE

The Audit Committee consists of one executive & three non-executive members, Chairman being Independent Director.

The composition of the Audit Committee as on March 31, 2015 :

| Name | Designation |
|-------------------------------|-------------|
| Shri Anant Sagar Awasthi* | Chairman |
| Shri Dilip Patel [#] | Member |
| Shri Satish Chandra Gupta | Member |
| Shri Manish Nuwal | Member |
| Smt Madhu Vij [^] | Member |
| Smt Khushboo Pasari | Secretary |

* Shri Anant Sagar Awasthi ceased to be a chairman of the Audit Committee w.e.f. May 25, 2015

[#] Shri Dilip Patel is appointed as Chairman in place of Shri Anant Sagar Awasthi w.e.f. May 25, 2015

[^] Smt Madhu Vij is appointed as a member of the Audit Committee w.e.f. May 25, 2015

VIGIL MECHANISM

The Vigil Mechanism of the Company which also incorporates a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company <http://solargroup.com/uploads/investors/policies/WBP.pdf>

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three non-executive members, Chairman being Independent Director.

The composition of the Nomination and Remuneration as on March 31, 2015

| Name | Designation |
|---------------------------|-------------|
| Shri Anant Sagar Awasthi | Chairman |
| Shri Satish Chandra Gupta | Member |
| Shri Dilip Patel | Member |
| Smt Khushboo Pasari | Secretary |

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of two executive and one non-executive members, Chairman being Independent Director.

The composition of stackholders Relationship Committee as on March 31, 2015

| Name | Designation |
|----------------------------|-------------|
| Shri Anant Sagar Awasthi | Chairman |
| Shri Kailashchandra Nuwal | Member |
| Shri Kundan Singh Talesra* | Member |
| Smt Khushboo Pasari | Secretary |

*Shri Roomie Dara Vakil is appointed in place of Shri Kundan Singh Talesra with effect from May 25, 2015.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Corporate Social Responsibility Committee consists of one Non-Executive Independent Director & two Executive Directors, Chairman being Executive Director.

The composition of Corporate Social Responsibility committee as on March 31, 2015

| Name | Designation |
|-------------------------|-------------|
| Shri Satyanarayan Nuwal | Chairman |
| Shri Manish Nuwal | Member |
| Shri Ajai Nigam | Member |
| Smt Khushboo Pasari | Secretary |

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Disease Prevention and Care Projects and made its CSR contribution towards public through recognised hospitals by providing facility like Installation of Medical Equipments.

This project is largely in accordance with Schedule VII of the Companies Act, 2013.

Solar's investment in Disease Prevention initiatives is in accordance with the objective of providing better healthcare to the needy persons of the society. The CSR initiatives undertaken in this thrust area include supply of medical equipments, to various hospitals.

The Report on CSR activities is annexed herewith as "Annexure D".

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 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2014 - 15 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen 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 and the Board of Directors for their approval on a quarterly basis. The Company has formulated a Related Party Transactions policy indicating the Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Company has entered into contracts with related parties as per Section 188 of the Companies Act, 2013. The details forming part of the extract of the contracts in form AOC-2 is annexed herewith as "Annexure E".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of the Directors | Title | Ratio to median remuneration |
|---------------------------|---------------------------------|------------------------------|
| Shri Satyanarayan Nuwal | Chairman and Executive Director | 211.76 |
| Shri Kailashchandra Nuwal | Executive Director | 211.76 |
| Shri Manish Nuwal | Executive Director | 211.76 |
| Shri Kundan Singh Talesra | Executive Director | 32.67 |
| Shri Roomie Dara Vakil | Executive Director | 24.20 |

Note: Non-Executive Independent Directors were paid sitting fees for attending Board and Board Committee Meetings for the year 2014 - 15.

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

| Name of the Directors & KMPs other than Directors | Title | % Increase in remuneration in the financial year 2014 - 15 |
|---|---------------------------------|--|
| Shri Satyanarayan Nuwal | Chairman and Executive Director | NIL |
| Shri Kailashchandra Nuwal | Executive Director | NIL |
| Shri Manish Nuwal | Executive Director | NIL |
| Shri Kundan Singh Talesra | Executive Director | 54.29% |
| Shri Roomie Dara Vakil | Executive Director | 5.26% |
| Shri Nilesh Panpaliya | Chief Financial Officer | 4.81% |
| Smt Khushboo Pasari | Company Secretary | 7.50% |

- c. The percentage increase in the median remuneration of employees in the financial year: 10.29 %
- d. The number of permanent employees on the rolls of Company: 1104
- e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 8.31%. The individual increments varied from 4 % to 23 %, based on individual performance.

The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

| | |
|--|-----------|
| Aggregate remuneration of key managerial personnel (KMP) in FY 2014 - 15 (₹ Lakhs) | 33.36 |
| Revenue (₹ Lakhs) | 101475.18 |
| Remuneration of KMPs (as % of revenue) | 0.03% |
| Profit before Tax (PBT) (₹ Lakhs) | 14034.85 |
| Remuneration of KMP (as % of PBT) | 0.24 % |

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

| Particulars | March 31, 2015 | March 31, 2014 | % Change |
|----------------------------------|----------------|----------------|----------|
| Market Capitalisation (₹ crores) | 6138.94 | 1594.43 | 285.02 |
| Price Earnings Ratio | 41.65 | 13.46 | 209.44 |

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

| Particulars | Shri Satyanarayan Nuwal, Chairman and Executive Director | Shri Manish Nuwal, Executive Director | Shri Kailashchandra Nuwal, Executive Director | Shri Kundan Singh Talesra, Executive Director and Chief Executive Officer* | Shri Roomie Dara Vakil, Executive Director | Shri Nilesh Panpaliya, Chief Financial Officer | Mrs Khushboo Pasari, Company Secretary |
|---------------------------------------|--|---------------------------------------|---|--|--|--|--|
| Remuneration in FY 2014 - 15 (₹ Lacs) | 212.88 | 212.88 | 212.88 | 35.44 | 25.57 | 26.42 | 6.94 |
| Revenue (₹ Lacs) | 101475.18 | 101475.18 | 101475.18 | 101475.18 | 101475.18 | 101475.18 | 101475.18 |
| Remuneration as % of revenue | 0.21 % | 0.21 % | 0.21 % | 0.035 % | 0.025 % | 0.026 % | 0.007 % |
| Profit before Tax (PBT) (₹ Lacs) | 14034.85 | 14034.85 | 14034.85 | 14034.85 | 14034.85 | 14034.85 | 14034.85 |
| Remuneration (as % of PBT) | 1.52 % | 1.52 % | 1.52 % | 0.25 % | 0.18 % | 0.19 % | 0.05 % |

* Shri Kundan Singh Talesra ceased to be Executive Director and Chief Executive Officer w.e.f May 25, 2015. Shri Anil Kumar Jain is appointed as an Executive Director in his place and Shri Manish Nuwal will act as a Chief Executive Officer of the Company.

- k. The key parameters for any variable component of remuneration availed by the directors:

The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **None.**

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

| Particulars | March 31, 2015 | March 27, 2006 (IPO) | % Change |
|--------------------|----------------|----------------------|----------|
| Market Price (BSE) | 3392.05 | 190 | 1685.29 |
| Market Price (NSE) | 3402.55 | 190 | 1690.82 |

- i. 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 was around 10.81 %. However, during the course of the year, the total increase is approximately 10.81 %, after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was 2.02 %.

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

- n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure. 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. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS:

Management is responsible for the preparation of the Consolidated Financial Statements and related information that are presented in this report. The Board of Directors of your Company at its meeting held on May 25, 2015 has approved the Audited Consolidated Financial Statements for the financial year 2014 - 15 and its subsidiaries in accordance with Clause 32 of Listing Agreement with the Stock Exchanges and Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements of your Company for the financial year 2014-15, are prepared in compliance with applicable Accounting Standards based on management's estimates, assumptions and judgments where applicable as well as Listing Agreement as prescribed by the Securities and Exchange Board of India.

The Company has built adequate systems of internal controls aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws.

The Internal Audit function monitors the effectiveness of controls, and also provides an independent and objective assessment of the overall governance processes in the Company, including the application of a systematic risk management framework. The Audit Committee of the Board reviews major internal audit reports as well as the adequacy of internal controls.

SOLAR'S CORPORATE GOVERNANCE PHILOSOPHY:

Corporate Governance philosophy of the Company is based on the principles of equity, fairness, transparency, spirit of law and honest communication. The Company believes that sound Corporate Governance is necessary to retain stakeholder's trust and ensures efficient working and proper conduct of the business of the Company with integrity. Development of Corporate Governance guidelines is a continuous process which evolves over a period of time and undergoes changes to suit the changing times and needs of the business, society and the nation.

Your Company has implemented the conditions of Corporate Governance as contained in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Management Discussion and Analysis along with necessary certificates is given elsewhere in this report. Also certificate taken

from M/s Gandhi Rathi & Co. Chartered Accountants, Nagpur, Statutory Auditors of the Company, confirming compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is annexed to this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 123 and 125 of Companies Act, 2013; the relevant amounts which have remained unclaimed and unpaid for a period of seven years from the date they became due for payment have been transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, in Compliance with the above Sections and Investor Education and Protection Fund (awareness and protection of investors) Rules, 2011, your company has transferred Unpaid and unclaimed dividend amount lying in the Final Dividend Account (2006-2007) of ₹ 49,953 and Interim Dividend Account of (2007-2008) ₹ 27,228 to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 4, 2014 (date of last Annual General Meeting) on the Company's website (www.solargroup.com) and also on the Ministry of Corporate Affairs' website.

POST BALANCE SHEET DATE EVENT:

Board of Directors of your Company has announced the following in their meeting held on May 25, 2015 at the registered office of the Company;

- a. The acquisition of 4,98,766 Equity Shares aggregating to 100% stake of M/s Blastec (India) Private Limited and
- b. The acquisition of 49,77,700 Equity Shares aggregating to 100% stake of M/s Emul Tek Private Limited.

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 Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

CEO/CFO CERTIFICATION:

As required under Clause 49 (IX) of the Listing Agreement, the CEO/CFO certification is attached with the annual report.

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, 2015, 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, 2015 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, 2015 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.

DISCLOSURE REQUIREMENTS

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarisation programme of the independent directors are available on the website of the Company at the following link <http://solargroup.com/uploads/investors/policies/FPIDS.pdf>

Policy for determining material subsidiaries of the Company is available on the website of the Company at the following link <http://solargroup.com/uploads/investors/policies/PDMS.pdf>

Policy on dealing with related party transactions is available on the website of the Company at the following link <http://solargroup.com/uploads/investors/policies/PRPT.pdf>

The Company has formulated the Corporate Social Responsibility Policy in line with the provisions of Section 135(4) of the Companies Act, 2013 and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 and the said policy is available on the website of the Company at the following link <http://solargroup.com/uploads/investors/policies/CSR.pdf>

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges and the said policy is available at the website of the Company at the following link <http://solargroup.com/uploads/investors/policies/WBP.pdf>

APPRECIATION & ACKNOWLEDGEMENT

Your company satisfactorily outperformed the industry in this challenging year and continues to maintain its leadership position. It has been surpassing all the international quality and cost benchmarks and continues to build shareholder value. Your Director looks to the future with confidence.

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

For and on behalf of the Board

Place: Nagpur
Date : May 25, 2015

(Satyanarayan Nuwal)
Chairman

ANNEXURE A : FORMING PART OF THE DIRECTOR'S REPORT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

A. CONSERVATION OF ENERGY

The Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimising carbon footprints and are being continuously upgraded to consistently achieve this goal. The Company has a distinction of having all its plants certified for ISO 14000 and 18000 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 good results. Construction of benches, trenches, open reservoirs and check dams in the large open land areas in the plant has resulted 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 pumping energy cost.

The effluents are treated in the Effluent Treatment Plants and the treated water is used for gardening and used in the process wherever possible. We almost achieved zero discharge level.

The Company gets energy Audit conducted by renowned experts regularly and take corrective actions.

The steps have resulted not only in saving the energy and conserving natural resources but also in reducing our running costs of the operations.

| CONSERVATION OF ENERGY | 2014 - 15 | 2013 - 14 |
|---|----------------|----------------|
| 1. POWER AND FUEL CONSUMPTION | | |
| ELECTRICITY | | |
| (a) Purchase unit (in Kwh.) | 7245918 Unit | 6810925 Unit |
| Total Amount (in ₹) | 53060675 | 50829388 |
| Rate/Unit (in per Kwh.) | 7.32 Per Unit | 7.46 Per unit |
| (b) Own Generation | | |
| (i) Through Diesel Generator (in Kwh) | 349054 Units | 265790 Units |
| Total Amount (in ₹) | 5603906 | 4014541 |
| Average Rate | 16.05 Per Unit | 15.10 per Unit |
| (ii) Through steam Turbine/Generator unit/Units/Litre of fuel/ Oil Gas Cost/Unit | N.A | N.A |
| 2. COAL/SOLID FUEL | | |
| Quantity M.T. | 10449.128 | 9236.53 |
| Total Cost | 50356650 | 46260194 |
| Average rate/ MT. | 4819.22 | 5008.40 |
| 3. FURNACE OIL | | |
| Quantity (LTR). | 35000 | 115158 |
| Total Cost | 1503470 | 4859980 |
| Average rate/ (LTR). | 42.96 | 42.20 |

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- **Efforts in Brief** : The Company has full-fledged Research & Development Division engaged in research on new products, processes and study on the existing manufacturing process, optimization of process parameters to improve the product quality, safety and cost saving.
- **Technology**: After successful development of new technology for a product or manufacturing process, it is 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 as well as from overseas source. 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.
- **Benefits** : Product quality improvement, reduction production losses, production flexibility and improved safety

RESEARCH AND DEVELOPMENT (R&D)

(a) Specific area in which R&D carried out by the company

- Our R & D activities run parallel to the activities in our principal areas of operation.
- Electronic Detonators.
- Products for Defence application.
- Bulk Explosives for tunneling operations.
- Safety enhancements in Processes and Products, Quality improvements in packaged Explosives and Accessories.
- Improving packaging standards, enhancing shelf life of packaged Explosives and Accessories.
- Process efficiency and automation in Packaged, Bulk Explosives and Accessories.
- Development of Shock Tube with low percentage of Surlyn.
- Development of New formulation of permitted Explosives.
- Development of alternate primary charge for Detonators

(b) Benefits derived as results of above:

- Improved safety compliance and enhanced environment protection.
- Modification of existing process for some of the products and savings in cost of production.
- R & D has benefited in improving the quality of Packaged, Bulk Explosives and delay timings of detonators.
- Introduced products for defence application.
- Developed shock tube with high tensile strength and reduction in cost.
- P3 formulation have been developed and approved by CMIFR P5 under development.
- Safe primary explosives composition developed which has result in improving the operational safety.

(c) Future plan of action:

- Introducing new products for different application in Defence Sector.
- Tracking and traceability of Finished Goods in collaboration with PESO.
- Develop substitute eco-friendly chemicals to eliminate hazardous chemicals in the processes.
- Improving Quality and Shop-floor safety of Packaged Explosives and Detonators.
- Development of New formulation of permitted P5 explosive.
- Continuous PETN manufacturing.
- Commercial production of HMX and HMX compounded products.
- Development of reliable & eco-friendly delay composition

(d) Expenditure on R&D:

| Sr. No | Particulars | ₹ in Lakhs | |
|--------|--|------------|-----------|
| | | 2014 - 15 | 2013 - 14 |
| 1. | Capital | 10.93 | 711.73 |
| 2. | Recurring | 252.41 | 270.75 |
| 3. | Total | 263.34 | 982.48 |
| 4. | R&D Expenditure percentage of Turnover | 0.24% | 1.00% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

| | ₹ in Lakhs | |
|---|------------|-----------|
| | 2014 - 15 | 2013 - 14 |
| (a) EARNINGS IN FOREIGN EXCHANGE | | |
| Export of goods calculated on FOB basis | 8582.33 | 15907.39 |
| (CIF basis value) | 9476.06 | 17272.44 |
| (b) REMITTANCES IN FOREIGN EXCHANGE: | | |
| On account of Bank Interest | 558.58 | 813.81 |
| On account of Sales Commission | 160.88 | 252.10 |
| On account of Ocean Freight | 14.79 | 206.30 |
| On account of Sales Promotion | 101.82 | 183.25 |
| On account of Other Expenses | 1326.63 | 805.00 |

For and on behalf of the Board

Place : Nagpur

Date : May 25, 2015

(Satyanarayan Nuwal)

Chairman

ANNEXURE B: FORMING PART OF DIRECTOR'S REPORT
FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015.
(PURSANT TO SECTION 204(I) OF THE COMPANIES ACT, 2013 & RULE 9 OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANEGERIAL PERSONNEL) RULES, 2014)

The Members,
SOLAR INDUSTRIES INDIA LIMITED
11, Zade Layout, Bharat Nagar
Nagpur – 440 003
Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. 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 **M/s. Solar Industries India 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 financial year ended on 31st March, 2015 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 M/s. Solar Industries India Limited for the financial year ended on March 31, 2015 according to the provisions of:

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

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

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

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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, 1998;

OTHER APPLICABLE LAWS :

- (iv) The Indian Copyright Act, 1957
- (v) The Patents Act, 1970
- (vi) The Trade Marks Act, 1999
- (vii) The Income Tax Act, 1961
- (viii) The Finance Act, 1994 related to Service Tax and Rules as updated.
- (ix) The Bombay Shops and Establishments Act, 154 and Rules thereunder
- (x) Central Excise Act, 1944 and Customs Act, 1962
- (xi) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Scheme there under.
- (xii) The Indian Boilers Act, 1923
- (xiii) The Standards of Weights and Measures (Enforcement) Act, 1985
- (xiv) The Explosives Act, 1884
- (xv) The Information Technology Act, 2000
- (xvi) The Environment (Protection) Act, 1986
- (xvii) The Water(Prevention and Control of Pollution) Act, 1974

- (xviii) The Air(Prevention and Control of Pollution) Act, 1981
- (xix) The Legal Metrology Act, 1999
- (xx) The Public Liability Insurance Act, 1991
- (xxi) The Payment of Bonus Act, 1965
- (xxii) The Industrial Disputes Act, 1947
- (xxiii) The Factories Act, 1948
- (xxiv) The Payment of Wages Act, 1936
- (xxv) The Payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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 and Independent Directors. 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:

1. There were no instances of:
 - (a) Public/Rights/Preferential issue of shares/debentures.
 - (b) Redemption / buy-back of securities.
 - (c) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
 - (d) Merger/amalgamation/reconstruction etc.
 - (e) Foreign Technical Collaborations
2. The Company has appointed Ms. Madhu Vij as an Independent Director with effect from March 23, 2015 to comply with the requirement of appointing a woman director on the Board of Directors of the Company in terms of Section 149 (1) of the Companies Act, 2013.

FOR **ANANT B KHAMANKAR & CO.**

Anant Khamankar
FCS No. – 3198
CP No. – 1860

DATE: May 19, 2015
PLACE: Mumbai

ANNEXURE C: FORMING PART OF DIRECTOR'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

1. REGISTRATION AND OTHER DETAILS

| | |
|---|---|
| CIN | L74999MH1995PLC085878 |
| Registration Date | 24 th February, 1995 |
| Name of the Company | Solar Industries India Limited |
| Category / Sub-Category of the Company | Company having Share Capital |
| Address of the Registered Office and contact details | 11, Zade Layout, Bharat Nagar, Nagpur- 440033 (M.H.) Ph No.: 0712-2561000, Fax No. 0712-2560202 |
| Whether listed company | Yes |
| Name, address and contact details of Registrar and Transfer Agent, if any | M/s Link Intime India Pvt Ltd. C-13 Pannalal Silk Mills Compound L B S MARG, Bhandup (West) Mumbai - 400078. Phone: +91 22 25963838 Fax: +91 22 25946969 |

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Manufacturing of Industrial Explosives and Initiating Systems | 20292 | 100% |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Address of the Company | CIN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Economic Explosives Limited | U24292MH1995PLC091808 | Subsidiary | 100% | 2(87) |
| 2. | Solar Mines & Minerals Ltd. | U14101MH2006PLC165472 | Subsidiary | 100% | 2(87) |
| 3. | Solar Mining Resources Ltd. | U14101MH2006PLC165471 | Subsidiary | 100% | 2(87) |
| 4. | SMS Bhatgaon Mines Extension Private Limited | U13209MH2008PTC186729 | Associate | 49% | 2(6) |
| 5. | Solar Bhatgaon Extension Mines Private Limited | U13200MH2008PTC186685 | Associate | 49% | 2(6) |

4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

| Category of Shareholders | No. of Shares hold at the beginning of the year | | | | No. of Shares hold at the end of the year | | | | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Share | |
| | | | | | | | | | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals/Hindu Undivided Family | 13166417 | - | 13166417 | 72.75 | 13195255 | - | 13195255 | 72.91 | 0.16 |
| b) Central Government/State Government(s) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| c) Bodies Corporate | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| d) Financial Institutions / Banks | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| e) Any Other (specify) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| Sub Total (A)(1) | 13166417 | - | 13166417 | 72.75 | 13195255 | - | 13195255 | 72.91 | 0.16 |
| (2) Foreign | | | | | | | | | |
| a) Individuals (Non-Resident Individuals/Foreign Individuals) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| b) Bodies Corporate | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| c) Institutions | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| d) Qualified Foreign Investors | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| e) Any Other (specify) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| Sub Total (A)(2) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 13166417 | - | 13166417 | 72.75 | 13195255 | - | 13195255 | 72.91 | 0.16 |
| B. Public shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | 2584830 | - | 2584830 | 14.28 | 2677213 | - | 2677213 | 14.79 | 0.51 |
| b) Financial Institutions / Banks | 584 | - | 584 | 0.00 | 795 | - | 795 | 0.00 | 0.00 |
| c) Central Government/State Government(s) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| d) Venture Capital Funds | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| e) Insurance Companies | 684384 | - | 684384 | 3.78 | 541802 | - | 541802 | 2.99 | (0.79) |
| f) Foreign Institute Investors | 213650 | - | 213650 | 1.18 | 192847 | - | 192847 | 1.07 | (0.11) |
| g) Foreign Venture Capital Investors | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| h) Qualified Foreign Investors | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| i) Any Other (specify) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| Sub Total (B) (1) | 3483448 | - | 3483448 | 19.25 | 3412657 | - | 3412657 | 18.86 | (0.39) |

| Category of Shareholders | No. of Shares hold at the beginning of the year | | | | No. of Shares hold at the end of the year | | | | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Share | |
| | | | | | | | | | |
| (2) Non-institutions | | | | | | | | | |
| a) Bodies Corporate | 827064 | - | 827064 | 4.57 | 869163 | - | 869163 | 4.80 | 0.23 |
| b) (i) Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh | 416331 | 4 | 416335 | 2.30 | 514208 | 4 | 514212 | 2.84 | 0.54 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh | 177821 | - | 177821 | 0.98 | 75663 | - | 75663 | 0.42 | (0.56) |
| c) Qualified Foreign Investors | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| d) Any Other | | | | | | | | | |
| i) Non Resident Indians (Repat) | 7906 | - | 7906 | 0.04 | 7101 | - | 7101 | 0.04 | 0.00 |
| ii) Non Resident Indians (Non Repat) | 6620 | - | 6620 | 0.04 | 13935 | - | 13935 | 0.08 | 0.04 |
| iii) Foreign Portfolio Investor (Corporate) | 0 | - | 0 | 0.00 | 4700 | - | 4700 | 0.03 | 0.03 |
| iv) Clearing Member | 12200 | - | 12200 | 0.07 | 5225 | - | 5225 | 0.03 | 0.04 |
| v) Directors | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | 0.00 |
| vi) Trusts | 200 | - | 200 | 0.00 | 100 | - | 100 | 0.00 | 0.00 |
| Sub Total (B)(2) | 1448142 | 4 | 1448146 | 8.00 | 1490095 | 4 | 1490099 | 8.23 | 0.23 |
| Total Public Shareholding Public Group (B)=(B)(1)+(B)(2) | 4931590 | 4 | 4931594 | 27.25 | 4902752 | 4 | 4902756 | 27.09 | 0.16 |
| Total (A)+(B) | 18098007 | 4 | 18098011 | 100.00 | 18098007 | 4 | 18098011 | 100.00 | - |
| c) Shares held by custodians and against which Depository Receipts have been issued | | | | | | | | | |
| i) Promoter and Promoter group | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| ii) Public | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| Sub Total (C) | 0 | - | 0 | 0.00 | 0 | - | 0 | 0.00 | - |
| GRAND TOTAL (A)+(B)+(C) | 18098007 | 4 | 18098011 | 100.00 | 18098007 | 4 | 18098011 | 100.00 | - |

ii) Shareholding of Promoters

| Sr No. | Category of Shareholders | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|------------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total shares of the Company | % of Shares Pledge / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledge / encumbered to total shares | |
| i) | Satyanarayan Nandlal Nuwal | 4055787 | 22.41 | 0.00 | 4055787 | 22.41 | 0.00 | 0.00 |
| ii) | Kailashchandra Nandlalji Nuwal | 3540252 | 19.56 | 0.00 | 3547819 | 19.61 | 0.00 | 0.05 |
| iii) | Indira Kailashchandra Nuwal | 1094375 | 6.05 | 0.00 | 1113646 | 6.15 | 0.00 | 0.10 |
| iv) | Leeladevi Satyanarayan Nuwal | 1015188 | 5.61 | 0.00 | 1015188 | 5.61 | 0.00 | 0.00 |
| v) | Sohandevi Nandlal Nuwal | 929938 | 5.14 | 0.00 | 929938 | 5.14 | 0.00 | 0.00 |
| vi) | Manish Satyanarayan Nuwal | 860813 | 4.76 | 0.00 | 862813 | 4.77 | 0.00 | 0.01 |
| vii) | Kailashchandra Nuwal HUF Nuwal | 501125 | 2.77 | 0.00 | 501125 | 2.77 | 0.00 | 0.00 |
| viii) | Satyanarayan Nuwal HUF Nuwal | 493938 | 2.73 | 0.00 | 493938 | 2.73 | 0.00 | 0.00 |
| ix) | Nandlalji Bodulaji Nuwal HUF Nuwal | 421250 | 2.33 | 0.00 | 421250 | 2.33 | 0.00 | 0.00 |
| x) | Seema Manish Nuwal | 248688 | 1.37 | 0.00 | 248688 | 1.37 | 0.00 | 0.00 |
| xi) | Rahul Kailashchandra Nuwal | 5063 | 0.03 | 0.00 | 5063 | 0.03 | 0.00 | 0.00 |
| | Total | 13166417 | 72.75 | 0.00 | 13195255 | 72.91 | 0.00 | 0.16 |

(iii) Change in Promoters' Shareholding

| Sr No. | Name of the promoter | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i) | Mr. Kailashchandra Nuwal | | | | |
| | At the beginning of the year | 3540252 | 19.5615 | 3540252 | 19.5615 |
| | 1. Share Purchase Date | 01.04.2014 | 0.0224 | 3544318 | 19.5839 |
| | No. of Share purchased | 4066 | | | |
| | Mode of Purchase | Market Purchase | | | |
| | 2. Share Purchase Date | 02.04.2014 | 0.008 | 3545944 | 19.5919 |
| | No. of Share purchased | 1626 | | | |
| | Mode of Purchase | Market Purchase | | | |
| | 3. Share Purchase Date | 04.04.2015 | 0.0018 | 3546279 | 19.5937 |
| | No. of Share purchased | 335 | | | |
| | Mode of Purchase | Market Purchase | | | |

| Sr No. | Name of the promoter | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 4. | Share Purchase Date | 10.04.2015 | 0.0046 | 3547119 | 19.5983 |
| | No. of Share Purchased | 840 | | | |
| | Mode of Purchase | Market Purchase | | | |
| 5. | Share Purchase Date | 06.08.2015 | 0.0038 | 3547819 | 19.6021 |
| | No. of Share Purchased | 700 | | | |
| | Mode of Purchase | Market Purchase | | | |
| | At the End of the year | 3547819 | 19.61 | - | - |
| ii) | Mr. Manish Nuwal | | | | |
| | At the beginning of the year | 860813 | 4.7563 | 860813 | 4.7563 |
| | Share Purchase Date | 06.08.2014 | 0.0110 | 862813 | 4.7673 |
| | No. of Share Purchased | 2000 | | | |
| | Mode of Purchase | Market Purchase | | | |
| | At the End of the year | 862813 | 4.7673 | - | - |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | For Each of the Top 10 Shareholders* | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i) | HDFC TRUSTEE COMPANY LTD - A/C HDFC MID – CAP OPPORTUNITIES FUND | 1611336 | 8.90 | 1276973 | 7.0559 |
| ii) | OMAN INDIA JOINT INVESTMENT FUND | 774195 | 4.28 | 774195 | 4.2778 |
| iii) | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD | 689884 | 3.81 | 541802 | 2.9937 |
| iv) | SBI EMERGING BUSINESSES FUND | 0 | 0.00 | 377146 | 2.0839 |
| v) | DSP BLACKROCK MICRO CAP FUND | 246774 | 1.36 | 268225 | 1.4821 |
| vi) | BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE MIDCAP FUND | 353000 | 1.95 | 203357 | 1.1236 |
| vii) | ICICI PRUDENTIAL INFRASTRUCTURE FUND | 0 | 0.00 | 197174 | 1.0895 |
| viii) | KOTAK EMERGING EQUITY SCHEME | 123644 | 0.68 | 93778 | 0.5182 |
| ix) | CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY TAX SAVER | 4342 | 0.03 | 85795 | 0.4741 |
| x) | KOTAK GLOBAL FUND | 95635 | 0.5284 | 69967 | 0.3866 |

* Note: The shares of the Company are traded on daily basis and hence the date wise increase / decrease in the Shareholding is not indicated. Shareholding is consolidated based on PAN of the Shareholder

(V) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of Directors | Shareholding at the beginning of the year | | Shareholding during the year | |
|---------|---|---|----------------------------------|------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i) | Shri Satyanarayan Nuwal | 4055787 | 22.4101 | 4055787 | 22.4101 |
| ii) | Shri Kailashchandra Nuwal | 3540252 | 19.5615 | 3540252 | 19.5615 |
| | At the beginning of the year | | | | |
| | 1. Share purchase date | 01.04.2014 | 0.0224 | 3544318 | 19.5839 |
| | No. of share purchased | 4066 | | | |
| | Mode of purchase | Market purchase | | | |
| | 2. Share purchase date | 02.04.2014 | 0.008 | 3545944 | 19.5919 |
| | No. of share purchased | 1626 | | | |
| | Mode of purchase | Market purchase | | | |
| | 3. Share purchase date | 04.04.2015 | 0.0018 | 3546279 | 19.5937 |
| | No. of share purchased | 335 | | | |
| | Mode of purchase | Market purchase | | | |
| | 4. Share purchase date | 10.04.2015 | 0.0046 | 3547119 | 19.5983 |
| | No. of share purchased | 840 | | | |
| | Mode of purchase | Market purchase | | | |
| | 5. Share purchase date | 06.08.2015 | 0.0038 | 3547819 | 19.6021 |
| | No. of share purchased | 700 | | | |
| | Mode of purchase | Market purchase | | | |
| | At the End of the year | 3547819 | 19.61 | - | - |
| iii) | Shri Manish Nuwal | 860813 | 4.7563 | 860813 | 4.7563 |
| | At the beginning of the year | | | | |
| | 1. Share purchase date | 06.08.2014 | 0.0110 | 862813 | 4.7673 |
| | No. of share purchased | 2000 | | | |
| | Mode of purchase | Market purchase | | | |
| | At the End of the year | 862813 | 4.7673 | - | - |
| iv) | Shri Kundan Singh Talesra | 500 | 0.00 | 500 | 0.00 |
| v) | Shri Roomie Dara Wakil | 30 | 0.00 | 30 | 0.00 |
| Sr. No. | Name of the Key Managerial Personnel other than Directors | Shareholding at the beginning of the year | | Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| i) | Shri Nilesh Panpaliya | 1400 | 0.01 | 1400 | 0.01 |
| | At the beginning of the year | | | | |
| | 1. Share purchase date | 13.06.2014 | 0.00 | 2710 | 0.01 |
| | No. of share purchased | 1310 | | | |
| | Mode of purchase | Market Purchase | | | |
| | 2. Share purchase date | 20.06.2014 | 0.01 | 3488 | 0.02 |
| | No. of share purchased | 778 | | | |
| | Mode of purchase | Market Purchase | | | |
| | 3. Share purchase date | 25.06.2014 | 0.00 | 3638 | 0.02 |
| | No. of share purchased | 150 | | | |
| | Mode of purchase | Market Purchase | | | |
| | At the End of the year | 3638 | 0.02 | - | - |
| ii) | Mrs. Khushboo Pasari | 50 | 0.00 | 50 | 0.00 |

5. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but due for payment

(Amount in ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------|----------|-------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,623,156,630 | 913,250,190 | - | 2,536,406,820 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,623,156,630 | 913,250,190 | | 2,536,406,820 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | 74,622,510.14 | 913,250,190 | | 987,872,700.1 |
| Net change | 74,622,510.14 | 913,250,190 | | 987,872,700.1 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,548,534,120.03 | 0 | - | 1,548,534,120.03 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,548,534,120.03 | 0 | | 1,548,534,120.03 |

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-Time Director

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Shri Satyanarayan Nuwal | Shri Kailashchandra Nuwal | Shri Manish Nuwal | Shri Kundan Singh Talesra | Shri Roomie Dara Vakil | Total amount |
|---------|---|-------------------------|--|-----------------------|---------------------------|------------------------|----------------------|
| 1. | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 60,00,000 | 60,00,000 | 60,00,000 | 32,40,000 | 24,00,000 | 2,36,40,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 2,88,461 | 2,88,461 | 2,88,461 | 1,55,769 | 1,18,993 | 11,40,145 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL | NIL | NIL |
| 2. | Stock Option | NIL | NIL | NIL | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL | NIL | NIL | NIL |
| 4. | Commission | | | | | | |
| | - as % of profit | 150,00,000 | 150,00,000 | 150,00,000 | NIL | NIL | 4,50,00,000 |
| | - others, specify | NIL | NIL | NIL | NIL | NIL | NIL |
| 5. | Others, please specify GPA, Car Allowance, Bonus, HRA | NIL | NIL | NIL | 1,48,650.00 | 38,160.00 | 1,86,810.00 |
| | Total (A) | 2,12,88,461.00 | 2,12,88,461.00 | 2,12,88,461.00 | 35,44,419.00 | 25,57,153.00 | 6,99,66,955/- |
| | Ceiling as per the Act | 15,03,49,900/- | (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | |

B. Remuneration to Non - Executive Independent Directors: (Amount in ₹)

| Sr. No. | Particulars of Remuneration | Shri Anant Sagar Awashthi | Shri Satish Chandra Gupta | Shri Dilip Patel | Shri Amrendra Verma | Shri Ajai Nigam | Mrs. Madhu Vij | Total amount |
|---------|--|---------------------------|---------------------------|------------------|---------------------|------------------|-----------------|------------------|
| 1. | Fee for attending board & committee meetings | 175,000/- | 70,000/- | 175,000/- | 75,000/- | 100,000/- | 25,000/- | 620,000/- |
| 2. | Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 3. | Others, Please specify | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (B) | 175,000/- | 70,000/- | 175,000/- | 75,000/- | 100,000/- | 25,000/- | 620,000/- |

Note: Overall ceiling is not applicable to sitting fees.

C. Remuneration To Key Managerial Personnel Other Than Whole-Time Directors: (Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel Other Than Whole-Time Directors | | Total amount |
|---------|---|--|----------------------|--------------------|
| | | Shri Nilesh Pampaliya | Mrs. Khushboo Pasari | |
| 1. | Gross salary | 25,06,200/- | 645,000/- | 31,51,200/- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,13,331.00/- | 30,539/- | 143,870.00/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL |
| 2. | Stock Option | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL |
| 4. | Commission | NIL | NIL | NIL |
| | - as % of profit | NIL | NIL | NIL |
| | - others, specify | NIL | NIL | NIL |
| 5. | Others, Bonus, Medclaim, GPA | 22,566.00/- | 18,604.00/- | 41,170.00/- |
| | Total (C) | 26,42,097/- | 6,94,143.00/- | 33,36,240/- |

7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended on March 31, 2015

ANNEXURE D: TO DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

Introduction:

Solar group as part of its initiatives under CSR, has undertaken projects in the areas of Disease Prevention and Care Projects and made its CSR contribution towards public through recognised hospitals.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

Solar's investment in Disease Prevention initiatives is in accordance with the objective of providing better healthcare to the needy persons of the society. The CSR initiatives undertaken in this trust area include supply of medical equipments, to various hospitals

CSR Policy:

A detailed CSR Policy was framed by the Company with approvals of the CSR Committee and Board taken on May 26, 2014.

The CSR Policy is placed on the website of the Company at the below mentioned link;

<http://solargroup.com/uploads/investors/policies/CSR.pdf>

- 2. Composition of the CSR Committee:**

Shri Satyanarayan Nuwal, Chairman (Executive Director)

Shri Manish Nuwal, Member (Executive Director)

Shri Ajai Nigam, Member (Non-Executive Independent Director)

Mrs. Khushboo Pasari, Secretary (Company Secretary)

- 3. Average net profit of the Company for last three financial years:**

Average net profit: ₹ 88 Crore

- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend ₹ 176 Lakhs towards CSR.

- 5. Details of CSR spend for the financial year:**

a. Total amount spent for the financial year: ₹ 177.5 Lakhs

b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is tabled below;

Amount in Lakhs

| Sr. No. | Projects/ Activities | Sector | Location | Amount Outlay (Budget) Project or Programs wise | Amount spent on the project or programs | Amount spent: Direct/through implimenting agency |
|---|---|---------|--|---|---|--|
| 1. | Project: Disease prevention and care projects Activity: Contribution for purchasing Medical Equipments | Medical | Central Institute of Medical Science, Nagpur (Maharashtra) | 22.5 | 22.5 | Direct |
| 2. | Project: Disease prevention and care projects Activity: Contribution for Installation of CT Scan Machine | Medical | Central Institute of Medical Science, Nagpur (Maharashtra) | 99.2 | 99.2 | Direct |
| 3. | Project: Disease prevention and care projects Activity: Contribution for Installation of Mammography Machine | Medical | Rashtrasant Tukdoji Cancer Institute, Nagpur (Maharashtra) | 18.6 | 18.6 | Direct |
| 4. | Project: Disease prevention and care projects Activity: Contribution for Installation of Fully Operational OT Centre | Medical | Swami Vivekananda Medical Mission, Nagpur (Maharashtra) | 18.6 | 18.6 | Direct |
| 5. | Project: Disease prevention and care projects Activity: Contribution for Installation of Pathology Lab | Medical | Matru Seva Sangh, Nagpur (Maharashtra) | 18.6 | 18.6 | Direct |
| Total Amount Spent for the Financial Year 2014 - 15 | | | | | 177.5 | |

6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Place: Nagpur

Date : May 25, 2015

Satyanarayan Nuwal
Chairman, Corporate Social Responsibility Committee

ANNEXURE E: FORMING PART OF DIRECTOR'S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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

Solar Industries India Limited (SILL) has not entered into any contracts or arrangements or transactions with its related parties which are not at arm's length during Financial Year 2014 - 15.

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:

• Indian Subsidiaries:

1. Economic Explosives Limited
2. Solar Mining Resources Limited
3. Solar Mines & Minerals Limited

• Overseas Subsidiaries:

4. Solar Explochem Zambia Limited
5. Nigachem Nigeria Limited
6. Solar Overseas Mauritius Limited
7. PATSAN Pattlayici Maddeler Sanayi Ve Ticaret
8. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (formerly known as ILCI Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi)

• Associates:

9. Solar Synthetics Private Limited

• Sole Proprietary Firm:

10. Commercial sales Corporation

(b) Nature of contracts/arrangements/transactions

1. Sale or supply of any goods materials
2. Purchase or otherwise buying materials /property of any kind
3. Loan (with Interest)
4. Technical Consultancy Fees

(c) Duration of the contracts / arrangements/transactions

Contract dated September 28, 1998 as amended on August 04, 2014 which is ongoing.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Based on transfer pricing guidelines.

(e) Date(s) of approval by the Board, if any:

Not applicable, since the contract was entered in the ordinary course of business and on arm's length basis.

(f) Amount paid as advances, if any:

Nil

Place: Nagpur

Date : May 25, 2015

For and on behalf of the Board

(Satyanarayan Nuwal)

Chairman

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI), through Clause 49 of the listing agreement of the Stock Exchanges. The Company has adopted best practices mandated in Clause 49. This chapter, along with those in the Management Discussion and Analysis section and Additional Shareholder Information, reports the Company's compliance with Clause 49.

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 recognises 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 Conduct for prevention of Insider Trading
- Remuneration Policy for Directors, KMP and other Employees
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees

- Corporate Social Responsibility Policy
- Human Resources Initiatives

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

- Governance by Board of Directors.
- Governance by Sub Committees of Board of Directors.
- Governance by Shareholders.
- Governance of the Management Process.

FIRST LAYER GOVERNANCE BY BOARD OF DIRECTORS

COMPOSITION:

The Company has 11 Directors of which 5 are Executive Director and 6 are Non-Executive Independent Directors including a woman director who was appointed as an additional director in the category of Independent Director. The composition of the Board is in conformity with clause 49 of the listing Agreement entered into with the stock Exchanges

Table 1: The composition of Board of Directors as on March 31, 2015 is as follows:

| Category | No. of Directors | Percentage |
|--|------------------|-------------|
| Executive Directors including Chairman | 05 | 45% |
| Non-Executive/Independent Directors | 06 | 55% |
| Grand Total | 11 | 100% |

INDEPENDENT DIRECTORS

Selection Criteria

Considering the skill matrix required for nominating as Independent Director on the Board of Directors of the Company, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are shortlisted by the Human Resources Department and thereon, the Nomination and Remuneration Committee, shall consider and recommend for the appointment, as Independent Directors to the Board of Directors of the Company. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision.

Declarations

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.

Separate Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held to:

- 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.

Familiarisation Program of Independent Directors

The Independent directors of Solar Industries India Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience.

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.solargroup.com to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

INFORMATION PROVIDED TO ALL THE MEMBERS OF BOARD OF DIRECTORS:

The Board of Directors of the company plays the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

The normal business of the Board includes:

- Annual operating plans and budgets, capital budgets and any updates thereon.
- Quarterly results of the Company.
- Board remuneration policy and individual remuneration packages of Directors.
- Convening a meeting of shareholders of the Company, setting the agenda thereof and ensuring that a satisfactory dialogue with shareholders takes place.
- Declaration / recommendation of interim / final dividend.
- Review of functioning of the Board and its Committees.
- Review of functioning of the Subsidiary Companies.
- Annual review of accounts for adoption by shareholders.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature of investments, subsidiaries and assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Review of related party transactions
- Minutes of Board meetings of unlisted subsidiary companies

- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel (KMP) and officer one level below KMP.
- Appointment of Secretarial Auditors.
- Compliance Certificate certifying compliance with all laws as applicable to the Company.
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996.

The Board of Directors of the Company are presented with all information under the above heads, whenever applicable. These are submitted either as part of the agenda papers well in advance of the Board Meeting or are tabled in the course of the Board meeting.

ATTENDANCE RECORD OF DIRECTORS

Table: 2 Composition of the Board and attendance records of Directors for 2014 - 2015

| Sr. No. | Name of the Director | Category | Attendance at | |
|---------|---|--|---------------|----------|
| | | | Board Meeting | Last AGM |
| 1 | Shri Satyanarayan Nuwal DIN: 00713547 | Chairman and Executive Director | 5/5 | Yes |
| 2 | Shri Kailashchandra Nuwal DIN: 00374378 | Executive Director | 4/5 | — |
| 3 | Shri Kundan Singh Talesra* DIN: 00168195 | Executive Director | 5/5 | Yes |
| 4 | Shri Roomie Dara Vakil DIN: 00180806 | Executive Director | 5/5 | Yes |
| 5 | Shri Manish Nuwal DIN: 00164388 | Executive Director | 5/5 | Yes |
| 6 | Shri Anant Sagar Awasthi DIN:00228429 | Non-Executive Independent Director | 5/5 | Yes |
| 7 | Shri Dilip Patel DIN: 00013150 | Non-Executive Independent Director | 5/5 | — |
| 8 | Shri Satish Chandra Gupta DIN: 00025780 | Non-Executive Independent Director | 2/5 | — |
| 9 | Shri Ajai Nigam DIN: 02820173 | Non-Executive Independent Director | 4/5 | Yes |
| 10 | Shri Amrendra Verma DIN: 00236108 | Non-Executive Independent Director | 3/5 | — |
| 11 | Smt Madhu Vij^ DIN: 00025006 | Non-Executive Independent Woman Director | 1/1 | N.A |

Note:

* Shri Anil Kumar Jain is appointed as a Director in place of Shri Kundan Singh Talesra w.e.f. May 25, 2015

^ Smt Madhu Vij is appointed as Additional Woman Director in the category of Non- Executive Independent Director on March 23, 2015. Only one meeting was held during her tenure

BOARD PROCEDURES

Your Company holds generally at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda and the gap between the two Board Meetings do not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board.

MEETINGS DURING THE YEAR:

During the year 2014-15, the Board of Directors met five times i.e. May 26, 2014, August 04, 2014, November 10, 2014, and January 22, 2015 and March 23, 2015. The gap between any two meetings has been less than four months.

DIRECTORSHIPS AND MEMBERSHIPS OF BOARD COMMITTEES

Table 3 gives the number of directorships and committee positions held by directors of the company.

Table 3: Directorships/committee positions as on March 31, 2015

| Sr. No. | Name of the Director | Category | Number of Directorships (including SIIL) | Chairmanship in committees of Board (including SIIL) | Membership in committees of Board (including SIIL) |
|---------|---|--|--|--|--|
| 1 | Shri Satyanarayan Nuwal DIN: 00713547 | Chairman and Executive Director | 04 | - | - |
| 2 | Shri Kailashchandra Nuwal DIN: 00374378 | Executive Director | 05 | - | 01 |
| 3 | Shri Kundan Singh Talesra* DIN: 00168195 | Executive Director | 02 | - | 01 |
| 4 | Shri Roomie Dara Vakil DIN: 00180806 | Executive Director | 01 | - | - |
| 5 | Shri Manish Nuwal DIN: 00164388 | Executive Director | 07 | - | 02 |
| 6 | Shri Anant Sagar Awasthi DIN:00228429 | Non-Executive Independent Director | 02 | 03 | - |
| 7 | Shri Dilip Patel DIN: 00013150 | Non-Executive Independent Director | 07 | 02 | 04 |
| 8 | Shri Satish Chandra Gupta DIN: 00025780 | Non-Executive Independent Director | 08 | - | 06 |
| 9 | Shri Ajai Nigam DIN: 02820173 | Non-Executive Independent Director | 01 | - | - |
| 10 | Shri Amrendra Verma DIN: 00236108 | Non-Executive Independent Director | 04 | - | - |
| 11 | Smt Madhu Vij# DIN: 00025006 | Non-Executive Independent Woman Director | 05 | - | 01 |

Notes:

- 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, Stakeholders Relationship Committee.
- None of the directors were members in more than 10 committees and had not held chairmanship in more than five committees across all companies in which he was a director as on March 31, 2015 and none of them have acquired any disqualification as per Section 164(2) (g) of the Companies Act, 2013.
- * Shri Anil Kumar Jain is appointed as a Director in place of Shri Kundan Singh Talesra w.e.f. May 25, 2015
- # Smt Madhu Vij is appointed as Additional Woman Director in the category of Non- Executive Independent Director on March 23, 2015.

DIRECTORS SHAREHOLDING

Table 4 provides details of equity shares held by each of the Directors in their individual name as on March 31, 2015.

Table: 4 Directors Shareholding as on March 31,2015

| Sr. No. | Name of Directors | No. of Equity Shares held |
|---------|---------------------------|---------------------------|
| 1 | Shri Satyanarayan Nuwal | 4055787 |
| 2 | Shri Kailashchandra Nuwal | 3547819 |
| 3 | Shri Manish Nuwal | 862813 |
| 4 | Shri Kundan Singh Talesra | 500 |
| 5 | Shri Roomie Dara Vakil | 30 |

DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

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.

CODE OF CONDUCT:

The Board of Directors laid down a Code of Conduct for all the board members and senior management of the Company. This code has been posted on the web-site of the Company at www.solargroup.com.

All board members and senior managerial personnel have affirmed compliance with the code. The declaration to this effect is signed by Chief Executive Officer; Shri Kundan Singh Talesra is given in this annual report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Committee and CSR Committee. An Evaluation policy have been prepared to evaluate the performance of individual Directors including the Chairman of the Board, Independent Directors, Secretarial Department, Chief Financial Officer along with the Board as a whole after taking into consideration inputs received from the functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. On the basis of said policy a structured questionnaire was prepared to evaluate the performances mentioned in the same policy.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

SECOND LAYER GOVERNANCE BY SUB COMMITTEES OF BOARD OF DIRECTORS

While the whole board remains accountable for the performance and affairs of the company, it delegates certain functions to sub-committees and management to assist in discharging its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems. Each sub-committee acts within agreed, written terms of reference. The chairman of each sub-committee reports at each scheduled board meeting. The Committees also make specific recommendations to the Board on various matters from time-to time. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has Four Board - level Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE

The terms of reference of this Committee are very wide. Beside, 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.

Powers of Audit Committee:

- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board
- To discuss any related issues with the internal and statutory auditors and the management of the company.
- To investigate into any matter in relation to the items or referred to it by the Board
- To obtain professional advice from external sources
- To have full access to information contained in the records of the company.

The primary responsibilities of the Audit Committee are to:

- Review the Matters required to be included in the Director's Responsibility Statement forming part of Board Report.
- Review the Changes, if any, in the accounting policies and practices and reasons or the same.
- Adopt and review formal written charter approved by the Board for its self-Governance. The Charter is reviewed by the Committee from time-to-time and necessary amendments as may be required are made in it
- Supervise the financial reporting process,
- Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements,
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function,
- Discuss with management the Company's major policies with respect to risk assessment and risk management,
- Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes,
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements,
- Review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of the CFO or any other person heading the finance function or discharging that function after assessing qualifications, experience and background, etc. of the candidate
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Recommend the appointment, removal of Statutory auditors and their fees,
- Recommend the appointment and removal of Internal auditors and their fees,
- Recommend the appointment and removal of Cost auditors and their fees,

- Recommend the appointment of Branch auditors and their fees,
- Review the independence of auditors,
- Ensure that adequate safeguards have been taken for legal compliance both for the Company and its other Indian as well as foreign subsidiaries,
- Review of related party transactions entered into by the Company pursuant to each omnibus approval given.
- Review of statement of significant related party transactions as submitted by the Management
- Perform other activities consistent with the charter, Company's Memorandum and articles, the Companies Act, 2013 and other governing laws.

The Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company are invited to attend and participate at the meetings of the Committee.

The Cost Auditors attend the Audit Committee Meetings where Cost Audit Reports are discussed. The due date for filing the Cost Audit Report for the financial year ended March 31, 2015 is October 30, 2015

The Chairman of the Audit Committee Shri Anant Sagar Awasthi attended the last Annual General Meeting held on September 04, 2014.

M/s Patel Madan Malpani & Co., M/s Ekbote Deshmukh & Co. and M/s B.K Banka & Associates were the firms those performed the Internal Audit function of the Group for the year 2014 - 2015.

MEETINGS DURING THE YEAR:

The Committee met five times during the year under review. The Committee meetings were held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The gap between any two meetings has been less than four months.

COMPOSITION AND ATTENDANCE

The Attendance at the meetings was as under:

Table 5: Composition and Attendance of Audit Committee as on March 31, 2015

| Name of Director | Designation | Number of meetings attended |
|---------------------------|-------------|-----------------------------|
| Shri Anant Sagar Awasthi* | Chairman | 5/5 |
| Shri Satish Chandra Gupta | Member | 2/5 |
| Shri Dilip Patel# | Member | 5/5 |
| Shri Manish Nuwal | Member | 5/5 |
| Smt Madhu Vij^ | Member | |

Notes:

* Shri Anant Sagar Awasthi ceased to be a Chairman of the Audit Committee w.e.f. May 25, 2015.

Shri Dilip Patil is appointed as a Chairman of the Audit Committee in place of Shri Anant Sagar Awasthi w.e.f. May 25, 2015

^ Smt Madhu Vij is appointed as a member of the Audit Committee w.e.f. May 25, 2015.

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

In pursuance, to Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the members of the Audit Committee possess financial / accounting expertise / exposure.

RISK MANAGEMENT

The Explosive business has a specific set of risk characteristics which need to be carefully evaluated managed and mitigated, in order to effectively manage the cyclic nature of demand; the management has adopted an internal risk management protocol. Risk management covers the entire process of business including inter-alia Capital investment, technology development, customer acquisition/ retention.

Your company has a well-defined risk management framework in place. Further, your company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

We have included a separate section on Risk Management under Management Discussion and Analysis.

WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has during the year put in place a mechanism wherein the Employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Corporate Governance policies or any improper activity to the Chairman of the Audit Committee of the company or Chairman of the Company or Corporate Governance Cell. The Whistle Blower Policy has been appropriately communicated within the company. Under the Whistle Blower Policy, the confidentiality of those reporting violations is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the Audit Committee.

MANAGEMENT DEVELOPMENT

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable are covered and forms part of this Annual Report.

NOMINATION & REMUNERATION COMMITTEE

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 include review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Managerial Personnel, etc and review the same.

The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board. The primary responsibilities of this Committee are to:

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. Carry out evaluation of every director's performance.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. 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 Managerial personnel in such a manner so as to attract and retain the best available personnel for position of substantial responsibility with the Company.
7. Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Managerial Personnel.

MEETINGS DURING THE YEAR:

The Committee met five times during the year under review. The Committee meetings were held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The gap between any two meetings has been less than four months.

COMPOSITION AND ATTENDANCE

The Attendance at the meetings was as under:

Table 6: Composition of Nomination and Remuneration Committee as on March 31, 2015

| Name of Director | Designation | Number of meetings attended |
|---------------------------|-------------|-----------------------------|
| Shri Anant Sagar Awasthi | Chairman | 5/5 |
| Shri Satish Chandra Gupta | Member | 2/5 |
| Shri Dilip Patel | Member | 5/5 |

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

REMUNERATION POLICY AND CRITERIA OF MAKING PAYMENTS TO DIRECTORS, SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

In determining the remuneration of Chairman, Executive Director, Senior Management Employees and Key Managerial Persons the Committee shall ensure / consider the following:

- a) The relationship of remuneration and performance benchmark is clear;
- b) The relative performance of the Company to the industry performance and review of remuneration packages of managerial personnel of other organizations.
- c) Perquisites and retirement benefits are paid according to the Company policy as applicable to senior executives of the Company, subject to prescribed statutory ceiling.
- d) The remuneration of employees largely consists of basic salary, perquisites, bonus and performance incentives. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The main objective of the remuneration policy is to motivate each and every employee and to stimulate excellence in their performance, recognize merits / achievements in order to retain the talent in the Company and to promote the feeling of belongingness

An Independent Director shall be entitled to receive sitting fees for each meeting of the Board and Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Executive Directors Remuneration: The remuneration package of the Executive Directors is normally decided over a period for 3/5 years by the Nomination and Remuneration Committee. The remuneration paid to the Executive Directors during the financial year 2014 - 2015 is provided in next page:

Table 7: Remuneration paid to Executive Directors during the year 2014 - 2015

| Executive Directors | Relationship with other Directors | Salary (₹ in lakhs) | Commission (₹ in lakhs) | Gratuity (₹ in lakhs) |
|---------------------------|--|------------------------|----------------------------|--------------------------|
| Shri Satyanarayan Nuwal | Brother of K.C Nuwal/Father of Manish Nuwal | 60.00 | 150.00 | 2.88 |
| Shri Kailashchandra Nuwal | Brother of S. N Nuwal/ uncle of Manish Nuwal | 60.00 | 150.00 | 2.88 |
| Shri Manish Nuwal | Son of S.N Nuwal/ Nephew of K.C Nuwal | 60.00 | 150.00 | 2.88 |
| Shri Kundan Singh Talesra | – | 32.40 | - | 1.55 |
| Shri Roomie Dara Vakil | – | 24.00 | - | 1.19 |

Non-Executive Independent Directors Remuneration:

All the Six 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 listing agreement with Indian Stock Exchanges.

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the year 2014 - 2015. None of the Non-Executive 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 financial year 2014 - 2015 is as below:

Table 8: Remuneration paid to Non-Executive Directors during the year 2014 - 2015

| Non-Executive Directors | Sitting Fees (₹) |
|---------------------------|------------------|
| Shri Anant Sagar Awasthi | 1,75,000 |
| Shri Satish Chandra Gupta | 70,000 |
| Shri Dilip Patel | 1,75,000 |
| Shri Ajai Nigam | 1,00,000 |
| Shri Amrendra Verma | 75,000 |
| Smt Madhu Vij | 25,000 |

Note: The above figures are inclusive of fees paid for attendance of committee meetings

STAKEHOLDERS RELATIONSHIP COMMITTEE

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.

- Approve transfers, transmissions, issue of duplicate certificates, transpositions; change of names etc. and to do all such acts, deeds, matters and things as connected therein.
- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading

- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

MEETINGS DURING THE YEAR:

The Committee met five times during the year under review. The Committee meetings were held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The gap between any two meetings has been less than four months.

COMPOSITION AND ATTENDANCE

The Attendance at the meetings was as under:

Table 9: Composition and attendance of Stakeholders Relationship Committee as on March 31, 2015

| Name of Director | Designation | Number of meetings attended |
|----------------------------|-------------|-----------------------------|
| Shri Anant Sagar Awasthi | Chairman | 5/5 |
| Shri Kailashchandra Nuwal | Member | 4/5 |
| Shri Kundan Singh Talesra* | Member | 5/5 |

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

Note:

* *Shri Roomie Dara Vakil is appointed in place of Shri Kundan Singh Talesra w.e.f. May 25, 2015*

NATURE OF COMPLAINTS AND REDRESSAL STATUS

During the past financial year, the complaints received by us were general in nature, which include issues relating to the change of address, non-receipt of Dividend Warrants, Annual Reports etc. All these complaints/queries were resolved to the satisfaction of investors.

Table 10: Nature of Complaints and redressal status as on March 31, 2015

| Sr. No. | Nature of Complaint | Complaints Received | Complaints Processed | Complaints Pending |
|---------|---------------------------------|---------------------|----------------------|--------------------|
| 1. | Non Receipt of Dividend warrant | 3 | 3 | 0 |
| 2. | Non receipt of Annual report | 1 | 1 | 0 |
| 3. | Others | - | - | - |

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 Solar Industries India Limited has constituted Corporate Social Responsibility (CSR) Committee on May 26, 2014.

Terms of Reference

To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;

1. To recommend amount of expenditure on CSR activities;
2. To monitor CSR Policy of the company.
3. During the year, Company has framed the CSR Policy which is available at its website: www.solargroup.com.

MEETINGS DURING THE YEAR:

The Committee met five times during the year under review. The Committee meetings were held on May 26, 2014, August 04, 2014, November 10, 2014, January 22, 2015 and March 23, 2015. The gap between any two meetings has been less than four months.

COMPOSITION OF CSR COMMITTEE

Table 11: Composition and attendance of Stakeholders Relationship Committee as on March 31, 2015

| Name of Director | Designation | Number of meetings attended |
|-------------------------|-------------|-----------------------------|
| Shri Satyanarayan Nuwal | Chairman | 5/5 |
| Shri Manish Nuwal | Member | 5/5 |
| Shri Ajai Nigam | Member | 4/5 |

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

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

THIRD LAYER GOVERNANCE BY SHAREHOLDERS

a) General Body Meetings

Table 12: Information of last three Annual General Meetings (AGMs) held:

| Year | Location | Date & Time | Special Resolution Passed |
|---------------------------|---|---------------------------------|---|
| 19 th AGM 2014 | Hotel Tuli Imperial , Central Bazar, Ramdaspath Nagpur 440010 | September 04, 2014 at 12.30 P.M | Special Resolution was passed for Appointment of Shri R.D Vakil |
| 18 th AGM 2013 | Hotel Tuli Imperial , Central Bazar, Ramdaspath Nagpur 440010 | September 11, 2013 at 11.30 A.M | None |
| 17 th AGM 2012 | Hotel Tuli Imperial , Central Bazar, Ramdaspath Nagpur 440010 | August 11, 2012 at 12.30 P.M. | None |

the Agenda for the succeeding meeting and adopted and taken on record.

SUBSIDIARIES

All Subsidiary Companies are managed with their Board of Directors having rights and obligations to manage such companies in the best interest of their stakeholders. Following are the means by which Solar Industries India Limited monitors the performance of its subsidiaries:

- The financial statements of the unlisted Indian and foreign Subsidiary Companies are being placed before the Board on quarterly basis after the review of Company's Audit Committee
- Minutes of all the Subsidiaries of the Company are prepared by the Secretary and are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board and Audit committee.

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practicing Company Secretary Shri Tushar Pahade has carried out Share Capital Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURE OF RELATED PARTY TRANSACTIONS:

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link <http://solargroup.com/uploads/investors/policies/PRPT.pdf>

- b) Whether Special resolutions were put through Postal Ballot last year? **YES**
- c) Are Special resolutions proposed to be put through Postal Ballot this Year? **YES**

During the year under review, the Company has conducted the postal ballot process and has passed the following resolution:

- The members of the Company have approved the amendment in the object clause of the Memorandum of Association of the Company.
 - The limits of Borrowings as provided under Section 180(1)(c) has been duly approved by the members.
 - The members of the Company had accorded their consent to the Board of Directors of the Company in accordance with Section 180(1)(a) relating to the borrowings of the Company.
 - The members of the Company has approved the maximum limit (in value) of the transactions with related parties as required under Section 188 of Companies Act, 2013.
- d) During the year under review, No Extraordinary General Meeting of the Members of the Company was convened. But the date of announcement of results of Postal Ballot which is August 04, 2014 was treated as Extraordinary General Meeting

Quarterly Results

Quarterly results are published in numerous leading dailies such as, The Economic Times (Mumbai Edition), Financial Express (All Editions) and Loksatta (Nagpur Edition). All financial and other vital official news are also communicated to the concerned stock exchanges and are posted on the website www.solargroup.com

Presentations to Institutional investors or analysts

During 2013 -14, presentations made to institutional investors or analysts by Solar Industries India Limited are displayed on the Company's website www.solargroup.com

Company's Corporate Website

The Company's website www.solargroup.com 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.

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

Chairman's Communique

Printed copy of the Chairman's Speech is distributed to the entire shareholder's at the Annual General Meeting. The same is also placed on the website www.solargroup.com

Designated Exclusive email-id for investor services

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

NSE Electronic Application Processing System (NEAPS) The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre') BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

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.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Annual General Meeting for the year 2014 - 2015 is to be held on Wednesday the September 09, 2015. The meeting will be conducted at Hotel Tuli Imperial, Central Bazar, Ramdaspath, Nagpur – 440 010, Maharashtra.

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in the meeting. For this you need to fill in a proxy form and send it to us.

The last date for receipt of proxy forms by us is September 7, 2015 before 12.30 p.m.

2. Financial Calendar

Our Tentative calendar for declaration of results for the Year 2015 - 2016 is given below

Table 13: Financial results schedule for the year 2015 - 2016

| Particulars | Tentative Schedule |
|---|--------------------------------|
| Financial Reporting for the Quarter ending June 30, 2015 | On or before August 15, 2015 |
| Financial Reporting for the Quarter ending September 30, 2015 | On or before November 15, 2015 |
| Financial Reporting for the Quarter ending December 31, 2015 | On or before February 15, 2016 |
| Financial Reporting for the Year/ Quarter ending March 31, 2016 | On or before May 30, 2016 |
| Annual General meeting for the Year ending March 31, 2016 | September, 2016 |

For the year ended on March 31, 2015 results were announced on May 25, 2015.

For the Quarter ended on June 30, 2015 results will be announced in August, 2015

3. Interim Dividend

Your Board of Directors declared an Interim Dividend of ₹ 8/- per share on equity shares of face value of ₹ 10/- each on November 10, 2014.

Record Date for Interim Dividend

The record date for the purpose of payment of Interim Dividend was fixed as November 20, 2014, and the Interim Dividend was paid to the shareholders who were on the Register of Members as of the closing hours of November 20, 2014.

4. Final Dividend:

The Board of Directors of the Company has proposed the Final Dividend of ₹ 9 Per Equity Share for the financial year ended on March 31, 2015 subject to the approval by the shareholders of the Company at the 20th Annual General Meeting.

Dates of Book Closure

August 31, 2015 to September 11, 2015 (both days inclusive).

Final Dividend Payment Date

The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after September 25, 2015:

1. To all those Beneficiaries holding shares in electronic form, as per the ownership data made available to the company

by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at end of the day on August 28, 2015.

2. To all those shareholders holding shares in physical form, after giving effects to all the valid share transfers lodged with the company on or before the closing hours on August 28, 2015.

Shareholders are advised to refer to the notice of the Annual General Meeting for details of action required to be taken by them in this regard.

The dividend amount shall be credited in the shareholders bank account directly through NECS. Alternatively physical warrant / Demand Draft shall be posted to the shareholders at their registered address available with the Depository/ Company. The intimation for credit of dividend amount through NECS shall also be sent to the shareholders through E-mail/ordinary post thereafter.

5. Corporate Identity Number (CIN)

Our Corporate Identity Number (CIN), allotted by Ministry of Company Affairs, Government of India is L74999MH1995PLC085878.

6. Listing on Stock Exchanges

Shares of Solar Industries India Limited are currently listed on the following Stock Exchanges

Table 14: Listing Details

| Sr. No. | Name of Stock Exchange | Stock Code/ Scrip Code | Address | ISIN Number for NSDL/CDSL (Dematerialised shares) |
|---------|--|------------------------|--|---|
| 1 | Bombay Stock Exchange Limited, Mumbai (BSE) | 532725 | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 | INE343H01011 |
| 2 | National Stock Exchange of India Limited, Mumbai (NSE) | SOLARINDS | Exchange plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 | |

Solar Industries India Limited has paid Listing fees to both the above stock exchanges in full.

7. Market Price Data

The shares of the Company were listed on NSE and BSE on April 3, 2006 share price data from 01.04.2014 to 31.03.2015 is as follows:

Table 15: Market Price data of Solar Industries India Limited

| MARKET PRICE DATA OF BSE & NSE STOCK EXCHANGES 2014 - 2015 | | | | | | | | |
|--|-------------|---------|---------------|----------|-------------------------|---------|------------------------|---------|
| BOMBAY STOCK EXCHANGE | | | | | NATIONAL STOCK EXCHANGE | | | |
| | SHARE PRICE | | SENSEX POINTS | | SHARE PRICE | | S & P CNX NIFTY POINTS | |
| MONTH | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW |
| APRIL'2014 | 1175.90 | 856.50 | 22939.31 | 22197.51 | 1179.85 | 860.00 | 6869.85 | 6650.40 |
| MAY'2014 | 1600.00 | 1080.05 | 25375.63 | 22277.04 | 1630.00 | 1073.00 | 7563.50 | 6638.55 |
| JUNE'2014 | 2247.10 | 1468.85 | 25735.87 | 24270.20 | 2250.00 | 1471.00 | 7700.05 | 7239.50 |
| JULY'2014 | 2125.00 | 1880.00 | 26300.17 | 24892.00 | 2140.00 | 1821.75 | 7840.95 | 7422.15 |
| AUG'2014 | 2184.95 | 1950.00 | 26674.38 | 25232.82 | 2185.00 | 1910.00 | 7968.25 | 7540.10 |
| SEP'2014 | 2628.00 | 2045.75 | 27354.99 | 26220.49 | 2650.00 | 2035.00 | 8180.20 | 7841.80 |
| OCT'2014 | 2550.00 | 2310.15 | 27894.32 | 25910.77 | 2569.80 | 2325.15 | 8330.75 | 7723.85 |
| NOV'2014 | 2895.60 | 2450.00 | 28822.37 | 27739.56 | 2700.00 | 2220.50 | 8617.00 | 8290.25 |
| DEC'2014 | 2908.80 | 2560.00 | 28809.64 | 26469.42 | 2900.00 | 2555.05 | 8626.95 | 7961.35 |
| JAN'2015 | 3140.45 | 2650.00 | 29844.16 | 26776.12 | 3174.95 | 2650.00 | 8996.60 | 8065.45 |
| FEB'2015 | 3618.00 | 2999.95 | 29560.32 | 28044.49 | 3620.00 | 3000.00 | 8941.10 | 8470.50 |
| MAR'2015 | 3590.00 | 3155.00 | 30024.74 | 27248.45 | 3618.55 | 3151.75 | 9119.20 | 8269.15 |

8. Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
LBS Marg, Bhandup (W), Mumbai – 400 078
Tel: (+91-22) 25963838
Fax: (+91-22) 25946969
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

9. Share Transfer System

Share transfer and related operations for the Company, is conducted by 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, if all the required documents are submitted.

10. Distribution of shares and shareholding pattern as on March 31, 2015

Table 16: Shareholding pattern as on March 31, 2015

| Shareholding of nominal value (₹) | No. of share holders | % of total Number of shareholders | Shares held in each class | |
|-----------------------------------|----------------------|-----------------------------------|---------------------------|---------------|
| | | | Nominal Value of shares | % of total |
| 1 – 5000 | 6189 | 95.9535 | 2665360 | 1.47 |
| 5001 – 10000 | 84 | 1.3023 | 635930 | 0.35 |
| 10001 – 20000 | 46 | 0.7132 | 686920 | 0.38 |
| 20001 – 30000 | 29 | 0.4496 | 724770 | 0.40 |
| 30001 – 40000 | 14 | 0.2171 | 492500 | 0.27 |
| 40001 – 50000 | 8 | 0.124 | 363570 | 0.20 |
| 50001 – 100000 | 19 | 0.2946 | 1370580 | 0.76 |
| 100001 – ***** | 61 | 0.9457 | 174040480 | 96.17 |
| TOTAL | 6450 | 100 | 180980110 | 100.00 |

Table 17: Shareholding Pattern (Category wise) as on March 31, 2015

| Sl. No | Category | No. of Shareholders | Total Shares | % Total Share holding |
|--------|--|---------------------|-----------------|-----------------------|
| 1 | Promoters | 15 | 13195255 | 72.91 |
| 2 | Resident Individuals (public) | 5952 | 589875 | 3.28 |
| 3 | Foreign Institutional Investors | 10 | 192847 | 1.07 |
| 4 | Trust | 1 | 100 | 0 |
| 5 | Mutual Funds | 47 | 2677213 | 14.79 |
| 6 | Clearing Members | 74 | 5225 | 0.0289 |
| 7 | Other Bodies Corporate | 194 | 869163 | 4.80 |
| 8 | Non Resident Indians | 108 | 7101 | 0.0392 |
| 9 | Non Resident Indians (Non Repatriable) | 45 | 13935 | 0.0770 |
| 10 | Non Nationalised Banks | 2 | 795 | 0.0044 |
| 11 | G I C & Its Subsidiaries | 1 | 541802 | 2.99 |
| 12 | Foreign Portfolio Investor (Corporate) | 1 | 4700 | 0.0260 |
| | TOTAL | 6450 | 18098011 | 100 |

11. 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).

18098007 Ordinary Shares of the Company representing **99.99%** of the Company's share capital is dematerialised.

As per SEBI circular dated April 24, 2009 bearing reference no. SEBI/CFD/DIL/LA/1/2009/24/04 Company opened and maintained separate Unclaimed Securities Suspense Account with LKP Securities Limited, Mumbai to hold allotted shares which were not credited to allottees account during the Initial Public Offer. Table 18 shows the details of such allottees.

In accordance with Clause 5A of Listing Agreement, the Company has identified 4 folios comprising of 134 equity shares of Face Value of ₹10/- each, which are unclaimed as on March 31, 2015. The Company has sent the reminders to the concerned shareholders in accordance with the said clause.

Company also opened and maintained separate account with State Bank of India, Nagpur, to hold dividend due on shares lying in Dividend Escrow Account of Company.

Table 18: Details of shares lying in Demat Escrow Account

| Sr. No. | APPL. No. | NAME | DP/CLITID | ALLOT |
|---------|-----------|----------------------|------------------|-------|
| 1 | 2272861 | CHAMPAKLAL U SANGHVI | 13015400000 | 30 |
| 2 | 5932548 | M ANANTHAM | - | 30 |
| 3 | 3629081 | PRADEEP M SHAH | 1302240000026644 | 37 |
| 4 | 5331319 | SAROJ AGARWAL | IN30047672338419 | 37 |
| | | | TOTAL | 134 |

The voting rights on the shares in the Suspense Accounts as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

Table 19: Major 10 Shareholders as on March 31, 2015 (other than promoters)

| Sr. No. | Name | Holding | Percentage |
|---------|---|---------|------------|
| 1 | HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND | 1276973 | 7.0559 |
| 2 | OMAN INDIA JOINT INVESTMENT FUND | 774195 | 4.2778 |
| 3 | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD | 541802 | 2.9937 |
| 4 | SBI EMERGING BUSINESSES FUND | 377146 | 2.0839 |
| 5 | DSP BLACKROCK MICRO CAP FUND | 268225 | 1.4821 |
| 6 | BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE MIDCAP FUND | 203357 | 1.1236 |
| 7 | ICICI PRUDENTIAL INFRASTRUCTURE FUND | 197174 | 1.0895 |
| 8 | KOTAK EMERGING EQUITY SCHEME | 93778 | 0.5182 |
| 9 | CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EQUITY TAX SAVER | 85795 | 0.4741 |
| 10 | KOTAK GLOBAL FUNDS | 69967 | 0.3866 |

12. Plant Locations as on May 25, 2015

Table 20: Plant Locations as on May 25, 2015

| 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. 32-37, Udyog Deep Ind.Area, Dist.-Sidhi, | Waidhan , Madhya Pradesh |
| 3 | Solar Industries India Limited Chandrapur | Survey No.101, Warur Road, Tahsil-Rajura, | Chandrapur, Maharashtra. |
| 4 | Solar Industries India Limited Korba | Kh. No.5 Village-Mudapur, Tahsil-katgora, | Korba, Chattisgarh. |

| Sr. No. | Unit | Address | City |
|---------|--|--|--|
| 5 | Solar Industries India Limited Ramgarh | Plot No. 967 & 1156, Mouza Manua, Tahsil-Ramgarh Cant., | Hazribagh, Jharkhand. |
| 6 | Solar Industries India Limited Jharsuguda | MIDC Plot No. B-11, Chandrapur (Tadali) Growth Center, | Tadali, Distt- Chandrapur Maharashtra. |
| 7 | Solar Industries India Limited Dhanbad | Kandra Industrial Area, plot No. C-32 (p) & C-33 (p), | Dhanbad, Jharkhand. |
| 8 | Solar Industries India Limited Asansol | Mouza Barapukuria, Plot No. 2/848, P.S.Asansol (North), Tahsil-Asansol, | Burdwan, West Bengal. |
| 9 | Solar Industries India Limited Talcher | IDCO Plot No.27, Revenue Plot No.48(P), Village Ghontapada Industrial Estate Talcher, | Angul, Orissa. |
| 10 | Solar Industries India Limited Manendragarh | KH. No.323/2, P.H.No.30, Mauza Chainpur, Tahsil-Manendragarh, | Koria, Chattisgarh. |
| 11 | Solar Industries India Limited Karimnagar | Survey No.363, Kamanpur (mandal), Village Musthyala (A) | Karimnagar, Andra Pradesh |
| 12 | Solar Industries India Limited Jharsuguda | Mauza Behrapalli,Plot No: 389 & 392, | Jharsuguda, Orissa |
| 13 | Solar Industries India Limited Barughuttu | Plot No.380(p),Khata no. 48Mauza Barughuttu | P.O west Bokaro, Dist Ramgarh |
| 14 | Solar Industries India Limited Waidhan Unit-2 | Khasra No.975/2, Ganyari | Dist. Singrauli (M.P) |
| 15 | Solar Industries India Limited Bhilwara | Khasra No.1459 &1460, Village Rupaheli | Tahesil Hurda, Dist Bhilwara (Raj.) |
| 16 | Solar Industries India Limited Umrer | MIDC, Plot No- B-13, Umrer Growth Center, Teh- Umrer | Teh- Umrer, Distt- Nagpur |
| 17 | Solar Industries India Limited Kothagudem (Work Under Process) | Survey No. 117, Venkatesh Khani, Kothagudem (M), | Dist-Khammam (AP) -507103 |
| 18 | Solar Industries India Limited Kota (Work Under Process) | Kh. No. 132 & 137, Vill-Dingsi, The- Ramganjmandi | Dist- Kota (Rajasthan) |
| 19 | Solar Industries India Limited Barbil (Work Under Process) | Kh. No.1034, 1035, 1046/ 1264, 1046/ 1265, 1046/1035, 1034, 1047 & 1048 Vill - Naibaga, The- Jhumpura (Barbil) | Dist- Keonjhar (OR)-758031 |
| 20 | Economic Explosives Limited | Village - Sawanga | Teh and Dist: Nagpur |
| 21 | Economic Explosives Limited, Nimjee | Kh – 40/1 & 40/2 , Khapri, PO – MIDC,Gondkhari, Kamleshwar Road | Dist – Nagpur |
| 22 | Emul Tek Private Limited | Plot No. 59, Udyog Deep Industrial Area, Waidhan | Distt – Singrauli (MP) |
| 23 | Blastec (India) Private Limited | Vill – Darramura, Orissa Road | Teh & Distt- Raigarh (CG) |
| 24 | Blastec (India) Private Limited | Plot No. 75, Udyog Deep Industrial Area, Waidhan | Distt – Singrauli (MP) |
| 25 | Blastec (India) Private Limited | Po – Nonbira, Vill – Ratija | Teh & Distt- Korba (CG) |

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 CDSL, 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, September 04, 2015 (10:00 a.m.) to September 06, 2015 (5:00 p.m.). The Board has appointed Shri Tushar Pahade of M/s T. S. Pahade & Associates, Practicing Company Secretaries as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the 20th Annual General Meeting and also placed on the website of the Company.

14. Address for correspondence

Investors and shareholders can correspond with the registered office of the Company at following address:

The Compliance Officer/Company Secretary

Solar Industries India Limited

11, Zade Layout,

Bharat Nagar,

Nagpur, Maharashtra

Tel: (0712) 2561000, 2561010

Fax: (0712) 2560202

Email: investor.relations@solargroup.com

CIN: L74999MH1995PLC085878

15. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has transferred unpaid and unclaimed dividend amount lying in the final dividend account (2006 - 07) of ₹ 49,953/- and Interim Dividend account (2007 - 08) of ₹ 27,228/- .

Unclaimed Dividends

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 4, 2014 (date of last Annual General Meeting) on the Company's website (www.solargroup.com), as also on the Ministry of Corporate Affairs' website.

We give below a table providing the dates of declaration of Dividend since 2007 - 08 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Table 21: Details of Unclaimed Dividend

| Financial Year | Date of Declaration of dividend | Last Year for claiming unpaid Dividend | Unclaimed Amount as on March 31, 2015 | Due date for transfer to Investor Education and Protection Fund |
|-------------------|---------------------------------|--|---------------------------------------|---|
| 2007-08 (Final) | September 24, 2008 | September 23, 2015 | 18,781 | November 29, 2015 |
| 2008-09 (Final) | September 17, 2009 | September 16, 2016 | 51,435 | November 23, 2016 |
| 2009-10 (Interim) | October 29, 2010 | October 28, 2017 | 41,038 | April 04, 2017 |
| 2009-10 (Final) | August 23, 2010 | August 22, 2017 | 56,758 | October 29, 2017 |
| 2010-11 (Interim) | October 29, 2010 | October 28, 2018 | 40,320 | January 04, 2018 |
| 2010-11 (Final) | August 10, 2011 | August 09, 2018 | 12,132 | October 16, 2018 |
| 2011-12 (Interim) | November 11, 2011 | November 10, 2019 | 26,400 | January 17, 2019 |
| 2011-12 (Final) | August 11, 2012 | August 10, 2019 | 18,120 | October 17, 2019 |
| 2012-13 (Interim) | November 05, 2012 | November 04, 2020 | 14,380 | January 11, 2020 |
| 2012-13 (Final) | September 11, 2013 | September 10, 2021 | 47,904 | November 17, 2020 |
| 2013-14 (Interim) | October 28, 2013 | October 27, 2021 | 42,550 | January 03, 2021 |

FOURTH LAYER GOVERNANCE OF MANAGEMENT PROCESS

LISTING AGREEMENT COMPLIANCES

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance and is committed to ensure compliance with all amendments that may be enacted from time to time. The details of these Compliances have been given in relevant sections of this Report.

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.

COMPLIANCE REPORT ON NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49

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

The Chairman of SOLAR is an Executive Director and this provision is not applicable to SOLAR. Company has prescribed Corporate Governance guidelines and ensures that the person who is being appointed as an Independent Director has the requisite qualification and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

2. Shareholders rights

The quarterly, half yearly and yearly results are published in The Economic Times (Mumbai Edition), Financial Express (All Editions) and Loksatta (Nagpur Edition), which are national and local newspaper respectively. These are not sent individually to the shareholders. The Company's results are displayed on the company's web site: www.solargroup.com. We have not send half yearly results to the shareholders in the financial year 2014 - 2015.

3. 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.

4. Disclosures by the Management

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interests of the Company.

5. Code for Prevention of Insider Trading Practices

The company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code lays down the guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the severe consequences of violations and this is made available on the Company's website at the following link (<http://solargroup.com/uploads/investors/policies/CPIT.pdf>).

ROLE OF COMPANY SECRETARY IN CORPORATE GOVERNANCE

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

CEO/CFO CERTIFICATION

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Clause 49(IX) of the Listing Agreement. The said certificate is attached in this Annual Report.

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 in Clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the director's report for the year 2014 - 15, 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, Kundan Singh Talesra, Executive Director and Chief Executive Officer of Solar Industries India Limited hereby confirm pursuant to Clause 49(II) (E) of the Listing agreement, that:

- ✓ The Board of Directors of SIIIL 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, 2015.

For **Solar Industries India Limited**

Place: Nagpur
Date: May 25, 2015

(Kundan Singh Talesra)
Chief Executive Officer

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

We, Kundan Singh Talesra, Chief Executive Officer and Nilesh Panpaliya, Chief Financial Officer of Solar Industries India Limited, certify:

1. That we have reviewed the financial statements and the cash flow statements for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - ✓ These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - ✓ These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and audit committee of:
 - (i) significant changes in internal control 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.

For **Solar Industries India Limited**

Place: Nagpur
Date: May 25, 2015

Sd/-
(Kundan Singh Talesra)
Chief Executive Officer

Sd/-
(Nilesh Panpaliya)
Chief Financial Officer

Note: Shri Manish Nuwal is appointed as a Chief Executive Officer in place of Shri Kundan Singh Talesra w.e.f. May 25, 2015

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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an 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 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 Clause 49 of the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency with which the management has conducted the affairs of the Company.

For and on behalf of
For **Gandhi Rathi & Co.,**
Chartered Accountants

(C.N. Rathi)

Partner

M.No. 39895

Firm Registration No.103031W

Place: Nagpur
Date: May 25, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
Solar Industries India Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of M/s. Solar Industries India Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company' Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit/loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gandhi Rathi & Co.

Chartered Accountants
Firm Registration No. 103031W

(C. N. Rathi)

Partner

M. No. 39895

Place : Nagpur

Date : 25.05.2015

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT TO THE MEMBERS OF SOLAR INDUSTRIES INDIA LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015.

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015, we report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and location of its fixed assets.
- b) As per the information & explanation given to us, Management has physically verified the fixed assets at reasonable intervals and no material discrepancies are reported to have been observed on such verification as compared to book records.
- ii) a) The inventories of finished goods, work in process, stores, spare parts and raw materials have been physically verified by the Management during the year. In our opinion, the frequency of the verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of the inventories followed by the Management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book stocks were not material in relation to the operations of the company.
- iii) The Company has granted loans to five bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
 - b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) The Company has not accepted fixed deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no material dues of Sales Tax, Income Tax, wealth tax, Service Tax, Excise duty of and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of dues | Amt under dispute not deposited (₹ In Lacs) | Period to which the amount relates | Forum where dispute is pending |
|-----------------------------|----------------|---|------------------------------------|--------------------------------|
| Central Excise Act, 1944 | Excise Duty | 61.43 | July'2000 to June'2004 | CESTAT, Mumbai |
| Service Tax Act | Service Tax | 6.48 | Feb'2005 to Mar'2006 | Commissioner (Appeal) |
| Central Excise Act, 1944 | Excise Duty | 9.71 | Apr'2004 to Sep'2008 | Supreme Court |
| Central Excise Act, 1944 | Excise Duty | 28.66 | Apr'1997 to Mar'2000 | Commissioner (Appeal) Nagpur |
| Service Tax Act | Service Tax | 10.87 | Jan'2008 to Jun'2010 | CESTAT, Mumbai |
| Central Sales Tax Act, 1956 | CST | 239.59 | Apr'2009 to March 2010 | Tribunal, Mumbai |
| Central Sales Tax Act, 1956 | CST | 245.09 | Apr'2010 to March 2011 | Tribunal, Mumbai |
| Total | | 601.83 | | |

- c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank.
- x) In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by it's wholly owned overseas subsidiary from bank and the terms and conditions thereof are not prejudicial to the interest of the company.
- xi) To the best of our information and knowledge and as per the records verified by us, the company has applied its term loan for the purposes for which the loans were obtained.
- xii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the Management.

For **Gandhi Rathi & Co.**
Chartered Accountants
Firm Registration No. 103031W

Place : Nagpur
Dated : 25.05.2015

C. N. Rathi
Partner
Membership No. 39895

BALANCE SHEET

as at 31st March, 2015

₹ in Lakhs

| PARTICULARS | NOTE | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---------------------------------|---------|---------------------|---------------------|
| CAPITAL AND LIABILITIES | | | |
| SHARE HOLDERS' FUND | | | |
| Share Capital | 1 | 1809.80 | 1809.80 |
| Reserves and Surplus | 2 | 50550.55 | 43749.58 |
| | | 52360.35 | 45559.38 |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 3 | 7842.89 | 5242.13 |
| Deferred tax liabilities | 4 | 2453.57 | 1720.78 |
| Other Long-term liabilities | 5 | 4.04 | 4.30 |
| Long-term provisions | 6 | 68.06 | 80.80 |
| | | 10368.56 | 7048.01 |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 7 | 6022.34 | 17832.53 |
| Trade payables | 8 | 3873.87 | 3681.93 |
| Other current liabilities | 9 | 6098.16 | 6965.03 |
| Short-term provisions | 10 | 538.40 | 1015.15 |
| | | 16532.77 | 29494.64 |
| TOTAL | | 79261.68 | 82102.03 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 28764.09 | 27457.58 |
| Capital Work-In-Progress | 11 | 2034.45 | 814.82 |
| Non-current investments | 12 | 5837.63 | 6678.59 |
| Long-term loans and Advances | 13 | 7118.22 | 8411.10 |
| Other Non current Assets | 14 | 3681.89 | 1556.90 |
| | | 47436.28 | 44918.99 |
| CURRENT ASSETS | | | |
| Current Investments | 15 | 22.67 | 250.27 |
| Inventories | 16 | 4630.46 | 7058.30 |
| Trade receivables | 17 | 11555.62 | 13986.98 |
| Cash and Bank Balances | 18 | 1898.68 | 4015.36 |
| Short Term Loans and Advances | 19 | 5915.06 | 3634.63 |
| Other Current Assets | 20 | 7802.91 | 8237.50 |
| | | 31825.40 | 37183.04 |
| TOTAL | | 79261.68 | 82102.03 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1 to 20 | | |

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

For and on behalf of the Board

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

S.N. Nuwal
Director
K.S.Talesra
C.E.O

Manish Nuwal
Director
Nilesh Panpaliya
C.F.O.

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2015

₹ in Lakhs

| PARTICULARS | NOTE | 2014-15 | 2013-14 |
|--|----------|------------------|-----------------|
| REVENUES | | | |
| Revenue From Operations | 21 | 101475.18 | 90402.83 |
| Other Income | 22 | 1982.82 | 1709.72 |
| TOTAL REVENUE | | 103458.00 | 92112.55 |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 59986.27 | 48921.98 |
| Purchases of Stock in Trade | | 5553.66 | 5087.80 |
| Changes in inventories | 24 | 237.30 | -380.90 |
| Employee Benefit Expenses | 25 | 4042.32 | 3868.75 |
| Finance Costs | 26 | 723.83 | 1448.24 |
| Depreciation and amortization expenses | | 1766.20 | 1257.36 |
| Other Expenses | 27 | 16113.43 | 20643.70 |
| TOTAL EXPENSES | | 88423.01 | 80846.93 |
| PROFIT BEFORE EXCEPTIONAL ITEMS | | 15034.99 | 11265.62 |
| Less: Exceptional Items | 28 | 1000.14 | 1000.14 |
| PROFIT BEFORE TAX | | 14034.85 | 10265.48 |
| Tax Expenses : | | | |
| Current Tax | | 2237.02 | 2213.92 |
| MAT Credit | | 265.09 | -456.22 |
| Deferred Tax | | 732.79 | 336.49 |
| Prior Period Taxes | | 7.61 | -213.15 |
| | | 3242.51 | 1881.04 |
| Profit / (Loss) for the period from continuing operation | | 10792.34 | 8384.44 |
| Profit for the year | | 10792.34 | 8384.44 |
| Earning per equity share of face value ₹ 10 each | | 59.63 | 46.33 |
| Significant Accounting Policies Notes to Financial Statements | 21 to 36 | | |

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

For and on behalf of the Board

C.N. Rathi

Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

S.N. Nuwal

Director

K.S.Talesra
C.E.O

Manish Nuwal

Director

Nilesh Panpaliya
C.F.O.

CASH FLOW STATEMENT

for the year ended on 31st March, 2015

₹ in Lakhs

| PARTICULARS | AS AT 31.03.2015 | | AS AT 31.03.2014 |
|--|---------------------|-----------------|---------------------|
| A. Cash Flow From Operating Activities | | | |
| Net Profit Before Tax | | 14034.85 | 10265.48 |
| Adjustments for : | | | |
| Depreciation | 1766.20 | | 1257.36 |
| Interest & Financial Expense | 723.83 | | 1448.24 |
| Dividend Income | -1500.52 | | -917.86 |
| Interest Income | -482.29 | | -133.04 |
| Provision For Advances Written Off | 1000.14 | | 1000.14 |
| | | 1507.36 | 2654.84 |
| Operating Profit before working Capital Changes | | 15542.21 | 12920.32 |
| (Increase)/Decrease in Sundry Debtors | 2431.35 | | -4331.86 |
| (Increase)/Decrease in Inventories | 2427.83 | | -526.60 |
| (Increase)/Decrease in Current Investment | 227.60 | | 1219.85 |
| (Increase)/Decrease in Loans & Advances | -2280.43 | | -748.64 |
| (Increase)/Decrease in Other Current Assets | 434.59 | | -1058.17 |
| Increase/(Decrease) in Trade payables | 191.95 | | 1998.08 |
| Increase/(Decrease) in Other Current Liabilities | -866.87 | | 999.89 |
| Increase/(Decrease) in Short Term Provision | -476.75 | | -723.46 |
| | | 2089.27 | -3170.91 |
| Cash Generated from Operations | | 17631.48 | 9749.41 |
| Income Tax Paid | 2502.11 | | 1757.70 |
| Prior period taxes | 7.61 | | -213.15 |
| | | 2509.72 | 1544.55 |
| Net Cash from Operating Activities | | 15121.76 | 8204.86 |
| B. Cash Flow From Investing Activities | | | |
| Increase in Tangible Assets | -3655.23 | | -5394.37 |
| Increase in Capital Work-In-Progress | -1219.63 | | 918.62 |
| Increase in Non-current investment | 840.96 | | -63.89 |
| Increase in Long-term loans and Advances | 1292.88 | | 1146.96 |
| Increase in Other Non current Asset | -2124.99 | | -613.93 |
| Decrease (+) in Fixed Assets | - | | 12.69 |
| Dividend Income | 1500.52 | | 917.86 |
| Interest Income | 482.29 | | 133.04 |
| Provision For Advances Written Off | -1000.14 | | -1000.14 |
| Net Cash from Investing Activities | | -3883.34 | -3943.16 |

₹ in Lakhs

| PARTICULARS | AS AT | | AS AT |
|---|------------|------------------|-----------------|
| | 31.03.2015 | | 31.03.2014 |
| C. Cash Flow From Financing Activities | | | |
| Bank Working Capital Loan | -2677.68 | | -1339.56 |
| Reduction in Working Capital Loans | -9132.51 | | - |
| Increase/(Decrease) in Long Term Borrowing | 2600.77 | | 2652.11 |
| Increase/(Decrease) in Long Term Provisions | -12.74 | | 0.00 |
| Increase/(Decrease) in Long Term Liabilities | -0.26 | | 2.30 |
| Interest & Financial Expense | -723.83 | | -1448.24 |
| Interim Dividend | -3076.66 | | -904.90 |
| Tax on Interim Dividend | -332.19 | | -217.24 |
| Net Cash from Financing Activities | | -13355.10 | -1255.53 |
| Net Increase in Cash & Cash equivalents | | -2116.68 | 3006.17 |
| Notes : | | | |
| 1) Cash & Cash equivalents at the beginning of period | 4015.36 | | 1009.19 |
| Cash & Cash equivalents at the end of period | 1898.68 | | 4015.36 |
| | -2116.68 | | 3006.17 |

2) The above cash flow statement has been prepared in accordance with the requirements of Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

For and on behalf of the Board

S.N. Nuwal
Director

Manish Nuwal
Director

K.S.Talesra
C.E.O

Nilesh Panpaliya
C.F.O.

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

as at 31st March, 2015

NOTE - 1 SHARE CAPITAL

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| (a) Authorised Share Capital | | |
| 27000000 Equity Shares of ₹ 10/- each | 2700.00 | 2700.00 |
| Issued, Subscribed & Paid up | | |
| 18098011 Equity Shares of ₹ 10/- each | 1809.80 | 1809.80 |
| | 1809.80 | 1809.80 |
| Shares issued in last 5 years | | |
| 774195 shares at the face value of ₹ 10 each allotted at a premium of ₹ 920 in the year 2012-13 | | |

(b) Details of Shareholders holding more than 5% Equity Shares

| Particular | As at 31.03.2015 | | As at 31.03.2014 | |
|--|---------------------|--------|---------------------|--------|
| | No. of share | % held | No. of share | % held |
| Name of Shareholder - Percentage Held | | | | |
| 1 Shri Satyanarayan Nuwal | 4055787 | 22.41 | 4055787 | 22.41 |
| 2 Shri Kailashchandra Nuwal | 3547819 | 19.60 | 3540252 | 19.56 |
| 3 Smt Indira Devi Nuwal | 1113646 | 6.15 | 1094375 | 6.05 |
| 4 Smt. Leela Devi Nuwal | 1015188 | 5.61 | 1015188 | 5.61 |
| 5 Smt. Sohan Devi Nuwal | 929938 | 5.14 | 929938 | 5.14 |

(c) Reconciliation Statement of Shares Outstanding

| Particular | No. of share As at 31.03.2015 | No. of share As at 31.03.2014 |
|---|----------------------------------|----------------------------------|
| Number of Shares at the beginning of the year | 180.98 | 180.98 |
| Add: Shares issued during the year | 0.00 | 0.00 |
| Number of Shares at the end of the year | 180.98 | 180.98 |

NOTE - 2 RESERVES AND SURPLUS

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
| CAPITAL RESERVE | 428.95 | 428.95 |
| Security Premium Account | | |
| Opening Balance | 14912.93 | 14912.93 |
| ADD - Issue of Share | 0.00 | 0.00 |
| Closing Balance | 14912.93 | 14912.93 |
| General Reserve | | |
| Opening Balance | 12660.83 | 10160.83 |
| Add:- Transfer from profit & Loss Account | 3000.00 | 2500.00 |
| Closing Balance | 15660.83 | 12660.83 |
| Surplus in Statement of Profit and Loss | | |
| Opening Balance | 15746.87 | 12251.43 |
| Profit for the year | 10792.34 | 8384.44 |
| Less: Appropriations | | |
| Interim Dividend | 1447.84 | 904.90 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
| Proposed dividend on Equity Shares{ Dividend Per share ₹ 9 (PY ₹ 7)} | 1628.82 | 1266.86 |
| Tax on Dividend | 332.19 | 217.24 |
| Transfer to General Reserve | 3000.00 | 2500.00 |
| Depreciation in respect of Assets whose useful life is over | 582.52 | 0.00 |
| Closing Balance | 19547.84 | 15746.87 |
| Grand Total | 50550.55 | 43749.58 |

NOTE - 3 LONG TERM BORROWINGS

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| LONG TERM BORROWINGS | | |
| SECURED | | |
| 1.Foreign currency ECB Loan From Bank * | 7842.89 | 5242.13 |
| | 7842.89 | 5242.13 |

External Commercial Borrowing from DBS Bank amounting to 10000000 \$, from ICICI Bank amounting to 3200000 \$ & from IndusInd Bank 3000000 \$ referred to in (1) above are secured by Exclusive charge on the tangible movable & immovable fixed assets. The DBS Bank is repayable in 8 Equal Semi annual installment Commencing from 10th Feb 2015 and ending on 31st Aug 2018. The ICICI Bank is repayable in one Installment dated on 12th Jan, 2018 & IndusInd Bank is repayable in one Installment on dated 07th September, 2017.

| MATURITY PROFILE | (₹ in Lacs)* | | |
|------------------|--------------|-----------|-----------|
| | 2016-2017 | 2017-2018 | 2018-2019 |
| | 1620 | 5412.60 | 810.29 |

NOTE - 4 DEFERRED TAX LIABILITIES

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|--------------------------|---------------------|---------------------|
| Opening Balance | 1720.78 | 1384.29 |
| Addition during the year | 732.79 | 336.49 |
| | 2453.57 | 1720.78 |

NOTE - 5 OTHER LONG-TERM LIABILITIES

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|------------------|---------------------|---------------------|
| Unpaid dividends | 4.04 | 4.30 |
| | 4.04 | 4.30 |

NOTE - 6 LONG TERM PROVISIONS

₹ in Lakhs

| Particular | As at 31.03.2015 | As at 31.03.2014 |
|---------------------------------|---------------------|---------------------|
| Provisions for Sales Promotions | 68.06 | 80.80 |
| | 68.06 | 80.80 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE - 7 SHORT-TERM BORROWINGS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| SECURED | | |
| Rupee Loan Working Capital # | 406.17 | 1990.36 |
| Foreign Currency Loan (Working Capital / Packing Credit)# | 5616.17 | 6709.66 |
| TOTAL (A) - | 6022.34 | 8700.02 |
| UNSECURED LOANS | | |
| Working Capital Loans From Bank | 0.00 | 8338.51 |
| TOTAL (B) - | 0.00 | 8338.51 |
| From Related Party (See Note No. 29) | 0.00 | 794.00 |
| TOTAL (C) - | 0.00 | 794.00 |
| TOTAL (A+B+C) - | 6022.34 | 17832.53 |

Working Capital loans are secured by hypothecation of entire stocks, raw material, stock in process, finished goods, consumables, stores & spares, book debts, outstanding money receivables, entire current asset of company, claims & bills receivables paripassu second charges on current & future fixed assets.

NOTE - 8 TRADE PAYABLES

| Particular | ₹ in Lakhs | |
|-------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Micro, Small & Medium Enterprises * | 346.00 | 380.52 |
| Related Parties (see note no. 29) | 0.00 | 1591.06 |
| Others | 3527.87 | 1710.35 |
| | 3873.87 | 3681.93 |

* The details of amounts outstanding to Micro, Small & Medium Enterprises based on the available information with the company

| | | |
|---|---|---|
| Principal amount due & remaining unpaid. | - | - |
| Interest due on above & the unpaid interest | - | - |
| Interest Paid | - | - |
| Payment made beyond the appointed date during the year | - | - |
| Interest due & payable for the period of delay | - | - |
| Interest accrued & remaining unpaid | - | - |
| Amt of further interest remaining due & payable in Succeeding years | - | - |

NOTE - 9 OTHER CURRENT LIABILITIES

| Particular | ₹ in Lakhs | |
|--------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Current Maturities of long term Debt | 1620.11 | 2289.42 |
| Others Payables # | 2493.07 | 2147.65 |
| Creditors for Capital Expenditure | 26.86 | 290.20 |
| Advances received from Customers | 1103.02 | 859.00 |
| Creditors for Transporters & Others | 855.10 | 1378.76 |
| | 6098.16 | 6965.03 |

Other payable includes Statutory dues & Expenses Payable.

NOTE - 10 SHORT TERM PROVISIONS

| Particular | ₹ in Lakhs | |
|---------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Provision for employee benefits | 319.08 | 322.97 |
| Others # | 219.32 | 692.18 |
| | 538.40 | 1015.15 |

The company had recognised liability on the basis of expenses incurred on substantial degree of estimation on sale of goods. Actual cash flow is expected in next Financial Year

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

₹ in Lakhs

| ASSETS | GROSS BLOCK | | ADDITIONS | | DEDUCTIONS | | GROSS BLOCK | | DEPRECIATION | | DEDUCTIONS ON IMPAIRMENT / ASSET SALE | | RETAINED EARNING (REFER NOTE A) | | DEPRECIATION | | NET BLOCK | |
|----------------------|------------------|----------------|---------------|------------------|-----------------|----------------|------------------|----------------|------------------|---------------|---------------------------------------|------------------|---------------------------------|------------------|------------------|-----------------|-----------------|--|
| | AS ON 01.04.2014 | DURING PERIOD | DURING PERIOD | AS ON 31.03.2015 | UPTO 01.04.2014 | DURING PERIOD | AS ON 31.03.2015 | DURING PERIOD | UP TO 31.03.2015 | DURING PERIOD | UP TO 31.03.2015 | AS ON 31.03.2014 | AS ON 31.03.2015 | AS ON 31.03.2014 | AS ON 31.03.2015 | | | |
| LAND | 2745.09 | 147.32 | 0.00 | 2892.41 | 0.00 | 0.00 | 2892.41 | 0.00 | 0.00 | 0.00 | 0.00 | 2745.09 | 2892.41 | 0.00 | 0.00 | 2745.09 | 2892.41 | |
| PLOT | 285.18 | 1181.06 | 0.00 | 1466.24 | 0.00 | 0.00 | 1466.24 | 0.00 | 0.00 | 0.00 | 0.00 | 285.18 | 1466.24 | 0.00 | 0.00 | 285.18 | 1466.24 | |
| CIVIL CONSTRUCTION | 10892.58 | 1134.82 | 0.00 | 12027.40 | 1372.03 | 355.39 | 12027.40 | 1372.03 | 355.39 | 0.00 | 2100.31 | 9520.55 | 9927.09 | 0.00 | 0.00 | 9520.55 | 9927.09 | |
| OFFICE BUILDING | 473.83 | 0.00 | 0.00 | 473.83 | 24.95 | 1.53 | 473.83 | 24.95 | 1.53 | 0.00 | 26.48 | 448.88 | 447.35 | 0.00 | 0.00 | 448.88 | 447.35 | |
| PLANT & MACHINERY | 15256.50 | 1112.52 | 0.00 | 16369.02 | 2713.02 | 1047.64 | 16369.02 | 2713.02 | 1047.64 | 0.00 | 3907.16 | 12543.48 | 12461.86 | 0.00 | 0.00 | 12543.48 | 12461.86 | |
| FURNITURE & FIXTURES | 355.84 | 10.16 | 0.00 | 366.00 | 78.81 | 55.96 | 366.00 | 78.81 | 55.96 | 0.00 | 137.27 | 277.03 | 228.73 | 0.00 | 0.00 | 277.03 | 228.73 | |
| OFFICE EQUIPMENT | 722.92 | 40.19 | 0.00 | 763.11 | 350.77 | 111.73 | 763.11 | 350.77 | 111.73 | 0.00 | 516.44 | 372.15 | 246.67 | 0.00 | 0.00 | 372.15 | 246.67 | |
| VEHICLES | 2742.55 | 32.42 | 7.81 | 2767.16 | 1487.09 | 193.95 | 2767.16 | 1487.09 | 193.95 | 4.55 | 1683.18 | 1255.46 | 1083.98 | 6.69 | 0.00 | 1255.46 | 1083.98 | |
| PLANTATION | 9.76 | 0.00 | 0.00 | 9.76 | 0.00 | 0.00 | 9.76 | 0.00 | 0.00 | 0.00 | 0.00 | 9.76 | 9.76 | 0.00 | 0.00 | 9.76 | 9.76 | |
| | 33484.25 | 3658.49 | 7.81 | 37134.93 | 6026.67 | 1766.20 | 37134.93 | 6026.67 | 1766.20 | 4.55 | 8370.84 | 27457.58 | 28764.09 | 582.52 | 0.00 | 27457.58 | 28764.09 | |

Capital work in progress

1. Capital Work in Progress includes:

| | 31.03.2015 | 31.03.2014 |
|--|----------------|---------------|
| Project Development Expenditure | 1272.62 | 184.23 |
| Machinery under Installation | 309.51 | 351.22 |
| Furniture & Fixture under Installation | 9.91 | 0.00 |
| Building Under Construction | 253.85 | 264.61 |
| Vehicle | 59.32 | 9.81 |
| Plantation | 0.00 | 4.95 |
| Free Hold Land | 129.24 | 0.00 |
| TOTAL | 2034.45 | 814.82 |

NOTE A :

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortization and Depletion. Accordingly the unamortized carrying value is being depreciated / amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to ₹.582.51 lacs.

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

as at 31st March, 2015

NOTE - 12 NON- CURRENT INVESTMENTS

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| LONG-TERM INVESTMENTS | | |
| (Unquoted equity instruments)-At Cost | | |
| Equity share - 48,00,000 Nos. @ 30.20 each held in Economic Explosives Ltd | 1449.64 | 1449.64 |
| Equity share - 85000 Nos. @ \$ 100 /- Each @ ₹ 45.67 held in Solar Overseas Mauritius Ltd | 3882.21 | 3882.21 |
| Equity share - 37148 Nos. @ of ₹ 2153.55 each held in Nav Bharat Coalfields Ltd | 0.00 | 800.00 |
| Equity share - 490000 Nos. @ of ₹ 10 each held in SMS Bhatgaon Mines Extension Pvt Ltd | 49.00 | 49.00 |
| Equity share - 490000 Nos. @ of ₹ 10 each held in Solar Bhatgaon Extension Mines Pvt Ltd | 49.00 | 49.00 |
| Equity share - 250000 Nos. @ of ₹ 10 each held in Rainbow Production Ltd | 25.00 | 25.00 |
| Equity share - 110000 Nos. @ of ₹ 10 each held in Ganga Care Hospital Ltd | 11.00 | 11.00 |
| Equity share - 50000 Nos. @ of ₹ 10 each held in Solar Mines & Minerals Ltd | 5.00 | 5.00 |
| Equity share - 50000 Nos. @ of ₹ 10 each held in Solar Mining resources Ltd | 5.00 | 5.00 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Agro Florestal LDA | 0.00 | 0.37 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Industries LDA | 0.00 | 0.37 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Recursos Mineral LDA | 0.00 | 0.37 |
| | 5475.85 | 6276.96 |
| In Mutual Funds | | |
| (Valued at Cost) | | |
| Kotak Private Equity Bond- Growth Fund II | 361.48 | 399.61 |
| | 361.48 | 399.61 |
| Investments in Government or trust securities (Valued at Cost) | | |
| NSC | 0.30 | 0.30 |
| | 0.30 | 0.30 |
| Investments in Equity Instruments-Quoted | | |
| (Valued at Cost) | | |
| Shares Sangam (India) Ltd. | 0.00 | 1.72 |
| | 0.00 | 1.72 |
| | 5837.63 | 6678.59 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-13 LONG TERM LOANS AND ADVANCES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Unsecured, considered good | | |
| Capital Advances | | |
| - Others | 501.10 | 240.60 |
| - loans & Advances - Good | | |
| - To, Related Party # (see note no 29) | 685.69 | 7833.93 |
| - To, Other | 5633.05 | 50.00 |
| - Doubtful Advances | 0.00 | 2000.29 |
| | 6819.84 | 10124.82 |
| Less : Provision for Doubtful Advances | 0.00 | 2000.29 |
| | 6819.84 | 8124.53 |
| Security Deposit & other Deposit | | |
| - Others | 298.38 | 286.57 |
| | 7118.22 | 8411.10 |
| # Loans & Advances in nature of loans given Subsidiaries & Associates. | | |
| Subsidiaries - ₹ 60259253.00 | | |
| Associate - ₹ 8309559.00 | | |

NOTE-14 Other Non current Asset

| Particular | ₹ in Lakhs | |
|-------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Trade Receivable (Above 12 months) | | |
| - Related Parties (see note no. 29) | 1610.22 | 0.00 |
| - Other | 2071.67 | 1556.90 |
| | 3681.89 | 1556.90 |

NOTE-15 CURRENT INVESTMENTS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| In Mutual Funds | | |
| Investments in Equity Instruments-Quoted | 22.67 | 250.27 |
| (Valued at Cost) | | |
| Aggregate Value of quoted Investments | 22.67 | 250.27 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-16 INVENTORIES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (Valued at weighted average cost basis) | | |
| Raw Materials, Packing Materials | 3057.06 | 4995.48 |
| Consumables | 603.32 | 849.29 |
| Stock in Trade - (Traded Goods) | 10.32 | 17.52 |
| Semi Finished Goods | 671.93 | 580.54 |
| Finished Goods | 285.18 | 613.88 |
| Goods In Transit | 2.65 | 1.59 |
| | 4630.46 | 7058.30 |

NOTE-17 Trade Receivables

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (a) Over 6 Months | | |
| Unsecured Considered Good | | |
| - Related Parties (see note no 29) | 1890.87 | 1243.41 |
| - Other | 741.06 | 659.79 |
| - Doubtful Debts | 429.69 | 429.69 |
| | 3061.62 | 2332.89 |
| Less: Provision for Doubtful Trade Receivables | 429.69 | 429.69 |
| | 2631.93 | 1903.20 |
| (b) Below 6 Months | | |
| Secured Considered Good | | |
| - Other | 390.97 | 0.00 |
| Unsecured Considered Good | | |
| - Related Parties (see note no. 29) | 1499.96 | 3388.78 |
| - Other | 7032.76 | 8695.00 |
| | 11555.62 | 13986.98 |

NOTE-18 CASH AND CASH EQUIVALENTS

| Particular | ₹ in Lakhs | |
|-------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Cash and Cash Equivalent | | |
| Balances with Banks: | 152.31 | 94.50 |
| In Current Accounts | 64.84 | 37.24 |
| Cash in hand | | |
| Other Bank Balances | | |
| In Fixed Deposits With Bank * | 1681.53 | 3883.62 |
| | 1898.68 | 4015.36 |

* (i) FDR of ₹ 78,92,475.16 /-held as margin money or security against the borrowing & other commitments of less than 12 months period.

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-19 SHORT TERM LOANS AND ADVANCES

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Unsecured, considered good | | |
| Related parties | 0.00 | 1.02 |
| Loans & Advances to Employees | 27.86 | 33.32 |
| Advances recoverable in cash or in kind or for value to be received | | |
| Goods Suppliers | | |
| - Other | 1187.94 | 1217.89 |
| - Related Parties (see note no. 29) | 0.00 | 5.50 |
| Other advances | 4699.26 | 2376.90 |
| | 5915.06 | 3634.63 |
| | 5915.06 | 3634.63 |

NOTE-20 OTHER CURRENT ASSETS

| Particular | ₹ in Lakhs | |
|----------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Balance with Revenue Authorities | 6831.05 | 8215.01 |
| Other Receivables | 904.00 | 7.38 |
| Interest Accrued but not due | 67.86 | 15.11 |
| | 7802.91 | 8237.50 |

NOTE-21 Revenue :

| Particular | ₹ in Lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Sale of products | | |
| Finished goods | 104471.36 | 91473.43 |
| Traded goods | 6656.46 | 6351.46 |
| Other Operating Income | 556.74 | 726.34 |
| | 111684.56 | 98551.23 |
| Less: Excise Duty | 10209.38 | 8148.40 |
| Total | 101475.18 | 90402.83 |
| Details of Sales (Finished goods) | | |
| Explosives / Explosive Accessories | 104471.36 | 91473.43 |
| Details of Sales (Traded goods) | | |
| A.N,Explosives & Other | 6656.46 | 6351.46 |
| Total | 111127.82 | 97824.89 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-22 Other Income

| Particular | ₹ in Lakhs | |
|------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Interest Income | | |
| Interest From Bank | 51.50 | 69.18 |
| Income from Bond | 29.12 | 90.55 |
| Income from Subsidiary | 95.15 | 568.26 |
| Interest from Other | 234.55 | 63.87 |
| Dividend Income | | |
| From Subsidiaries | 1444.90 | 893.50 |
| From Other | 55.62 | 24.36 |
| Miscellaneous Receipts | 71.98 | 0.00 |
| | 1982.82 | 1709.72 |

NOTE-23 COST OF MATERIALS CONSUMED

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Raw material consumed | | |
| Opening inventories | 4644.29 | 4974.94 |
| Add : Purchases (net) | 54911.29 | 45461.59 |
| Less : Inventories at the end of the year | 2888.84 | 4644.29 |
| Cost of raw materials consumed during the year | 56666.74 | 45792.24 |
| Packing material consumed | | |
| Opening inventories | 351.19 | 151.32 |
| Add : Purchases (net) | 3136.56 | 3329.61 |
| Less : Inventories at the end of the year | 168.22 | 351.19 |
| Cost of packing materials consumed during the year | 3319.53 | 3129.74 |
| | 59986.27 | 48921.98 |

NOTE-24 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROCESS (INCREASE)/DECREASE IN STOCKS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Stock at the end of the year: | 957.11 | 1213.52 |
| Less: Stock at the beginning of the year: | 1194.41 | 832.62 |
| Increase/Decrease in Stocks | 237.30 | -380.90 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-25 EMPLOYEE BENEFIT EXPENSES

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Salaries, Wages and Bonus | 3746.52 | 3554.99 |
| Contribution to Provident and Other Funds | 135.52 | 116.68 |
| Gratuity | 67.97 | 162.53 |
| Staff Welfare Expenses | 92.31 | 34.55 |
| | 4042.32 | 3868.75 |

NOTE-26 FINANCE COSTS

| Particular | ₹ in Lakhs | |
|-----------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Interest Charges | 701.32 | 1355.81 |
| Other Borrowing Costs | 22.51 | 92.43 |
| | 723.83 | 1448.24 |

NOTE-27 Other Expenses

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Sales Tax (Net) * | 5718.61 | 4229.94 |
| Export Expenses | 1930.56 | 4027.10 |
| Transportation Charges | 1285.68 | 1118.33 |
| Power & Fuel | 1210.01 | 1117.58 |
| Other Expenses | 980.11 | 833.79 |
| Consumption of Consumables | 742.18 | 1008.21 |
| Discounts and Settlements | 707.68 | 591.10 |
| Remuneration to Directors | 686.40 | 673.80 |
| Repairs & Maintenance - P & M, Electricals | 458.38 | 193.35 |
| Pump Truck Expenses | 454.51 | 392.54 |
| Security Service Charges | 401.82 | 337.98 |
| Repairs & Maintenance - Vehicles & Others | 363.73 | 255.44 |
| Travelling Expenses | 342.30 | 300.95 |
| Sales / Agency Commission | 301.97 | 440.69 |
| Consultancy Charges | 275.40 | 169.28 |
| Misc. Sales Expenses | 213.91 | 1406.98 |
| Insurance Charges | 166.20 | 143.93 |
| Sales Promotion Expenses | 112.16 | 199.86 |
| Bad & Doubtful Debts | 0.00 | 626.52 |
| Provision for Bad & Doubtful Debts | 0.00 | 214.85 |
| Loss from Exchange Rate Fluctuation | -238.18 | 2361.48 |
| | 16113.43 | 20643.70 |

* Sales Tax Subsidy reduced from Sales Tax

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

NOTE-28 Exceptional Items

| Particular | ₹ in Lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Provision for Advances Written Off | 0.00 | 1000.14 |
| Advances Written off | 1000.14 | 0.00 |
| | 1000.14 | 1000.14 |

29 (1) Related party disclosures

As Per Accounting Standard 18 , the disclosures of transactions with the related parties are given below :-

(I) List of related parties where control exists & related parties with whom transactions have taken place & relationships :-

| SR NO. | NAME OF RELATED PARTY |
|---------------------------------------|---|
| SUBSIDIARIES :- | |
| 1 | Economic Explosives Ltd |
| 2 | Solar Mines & Minerals Ltd |
| 3 | Solar Mining Resources Ltd |
| OVERSEAS SUBSIDIARIES:- | |
| 1 | Solar Overseas Mauritius Ltd |
| FELLOW OVERSEAS SUBSIDIARIES:- | |
| 1 | Solar Overseas Netherlands Cooperative U.A |
| 2 | Solar Overseas Netherlands B.V. |
| 3 | Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi |
| 4 | PATSAN Pattlayici Maddeler Sanayi Ve Ticaret |
| 5 | Solar Overseas Singapore Pte Ltd |
| 6 | Nigachem Nigeria Ltd |
| 7 | Solar Explochem Zambia Ltd |
| 8 | Solar Mining Services Australia Pty Ltd |
| 9 | Solar Nitrochemicals Ltd |
| 10 | Solar Industries Mocambique LDA |
| 11 | Solar Explochem (Ghana) Ltd |
| 12 | P.T. Solar Mining Services |
| 13 | Solar Mining Services Pty Ltd |
| 14 | Solar Industries Africa Limited |

| SR NO. | NAME OF RELATED PARTY |
|-----------------------------------|---|
| ASSOCIATES:- | |
| 1 | Solar Synthetics Private Limited |
| 2 | Mahakal Infrastructures Pvt Ltd |
| 3 | Mahakal Project Pvt Ltd |
| 4 | Nagpur Infrastructure Pvt Ltd |
| 5 | Solar Bhatgaon Extension Mines Pvt Ltd |
| 6 | SMS Bhatgaon Mines Extension Pvt Ltd |
| 7 | Solar Initiating Systems Ltd |
| 8 | Solar Processors Ltd |
| 9 | Australian Explosive Technologies Group Pty Ltd |
| KEY MANAGEMENT PERSONNEL:- | |
| 1 | Shri S.N. Nuwal |
| 2 | Shri K.C. Nuwal |
| 3 | Shri Manish Nuwal |
| 4 | Shri K S Talesra |
| 5 | Shri R D Vakil |
| 6 | Shri Nilesh Panpaliya |
| 7 | Mrs. Khushboo Pasari |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

29 (2) Transactions during the year with the related parties (Excluding reimbursements)

₹ in Lacs

| NATURE OF TRANSACTIONS | SUBSIDIARY | | ASSOCIATES / RELATED CONCERN | | KEY MANAGEMENT PERSONNEL | |
|--|--------------|---------------|------------------------------|---------------|--------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Purchase / Material Consumed | 5,084.12 | 6,269.00 | 20.29 | 5.07 | - | - |
| Purchase of Fixed Asset | - | 1.67 | - | - | - | - |
| Revenue From Operations-(Mfg/Trading sale) | 8,152.98 | 6,736.68 | - | - | - | - |
| Revenue From Operations-(Project Sale) | - | 823.16 | - | - | - | - |
| Revenue From Operations-(Operating Income) | 49.17 | - | - | - | - | - |
| Loan Recd O/S | - | - | - | 794.00 | - | - |
| Loan Given O/S | 604.64 | 1153.88 | 81.05 | 8,681.35 | - | - |
| Interest (Net) | 95.15 | 221.12 | (46.57) | - | - | - |
| Remuneration / Consultancy | - | - | - | - | 717.91 | 703.71 |
| Dividend Received | 1,444.90 | 893.50 | - | - | - | - |
| Technical Consultancy Income | 68.24 | 70.27 | - | - | - | - |
| Balance O/S (Debtors) | 5,001.05 | 3,041.12 | - | 5.50 | - | - |
| Balance O/S | - | - | - | - | 6.23 | 6.23 |

30) As Per Accounting Standard (AS) 17 on "Segment Reporting ", we are having only one segment hence segment reporting not applicable.

31) Research and Development expenses incurred during the year

₹ in Lacs

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| a. In the nature of Revenue Expenditure | 252.41 | 270.75 |
| b. In the nature of Capital Expenditure | 10.93 | 711.73 |

32) Contingent liabilities & commitments

₹ in Lacs

| | F.Y. 14-15 | F.Y. 13-14 |
|--|------------|------------|
| 1) In Respect Of Counter Guarantees Given to Bank | 9,651.23 | 5,815.12 |
| 2) In Respect Of Excise Matters In Dispute / Under Appeal | 580.33 | 623.94 |
| 3) In Respect Of Sales Tax Deferement | 947.01 | 947.01 |
| 4) In Respect Of Income Tax Matters In Dispute/ Under Appeal | 302.50 | 149.51 |
| 5) In Respect Of Sales Tax Matters In Dispute/ Under Appeal | 599.05 | 353.96 |

33 (1) The Board of Directors of the Company in previous years decided to write off interest income from companies related to Bhatgaon Coal Blocks. An amount aggregating to ₹ 2,000.29 lacs was provided in earlier years against the interest income which is written back in current year. The company has written off interest income of ₹ 3,000.42 lacs. Net effect of these amounts were disclosed as Exceptional Items. The Board of Directors decided not to charge the interest on outstanding loans.

33 (2) During the year company has sold shares of its subsidiary M/s. Navbharat Coalfields Ltd at value of ₹ 800 lacs.

33 (3) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

33 (4) Significant accounting policies and practice adopted by the company are disclosed in the statement annexed to these financial statement as Annexure-1

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

33 (5) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : of ₹ 177.50 lacs

33 (6) Additional Information pursuant to Note 5 of Part II of the Schedule III of the Companies Act, 2013

A) Turnover :

Value in ₹ in lacs

| Class of Goods | Opening Stock As At 01.04.2014 | Closing Stock As At 31.03.2015 | Turnover 31.03.2015 |
|----------------|-----------------------------------|-----------------------------------|------------------------|
| Explosives | 613.88 | 285.18 | 1,00,488.63 |
| Other Sales | 19.11 | 12.97 | 5,906.21 |
| Total : | 632.99 | 298.15 | 1,06,394.84 |

B) Turnover Of Semi-Finished Products :

Value in ₹ in lacs

| Class of Goods | Opening Stock As At 01.04.2014 | Closing Stock As At 31.03.2015 | Turnover 31.03.2015 |
|--------------------------|-----------------------------------|-----------------------------------|------------------------|
| Semi-Finished | 580.53 | 671.93 | 2,959.34 |
| Other Sales | - | - | 1,773.65 |
| Total : | 580.53 | 671.93 | 4,732.98 |
| Grand Total A+B : | 1,213.52 | 970.08 | 1,11,127.82 |

33 (7) Importes and Indigenous Raw Material, Components and Spare Parts Consumed

Value in ₹ in lacs

| Particulars | % of total Consumption as on 31.03.2015 | Value on 31.03.2015 (₹) | % of total Consumption as on 31.03.2014 | Value on 31.03.2014 (₹) |
|-------------------------------|---|----------------------------|---|----------------------------|
| Raw Materials : | | | | |
| Ammonium Nitrate - Imported | 6.20 | 3,764.30 | 9.33 | 4,659.662 |
| Ammonium Nitrate - Indigenous | 55.06 | 33,436.33 | 48.31 | 24,119.748 |
| Total (A) | 61.26 | 37,200.63 | 57.64 | 28,779.41 |
| Other Raw Materials : | | | | |
| Imported | 1.14 | 689.43 | 1.11 | 552.68 |
| Indigenous | 36.39 | 22,096.22 | 39.23 | 19,589.90 |
| Total (B) | 37.52 | 22,785.65 | 40.34 | 20,142.57 |
| Stores and Spares : | | | | |
| Imported | 0.04 | 26.32 | 0.01 | 4.72 |
| Indigenous | 1.18 | 715.86 | 2.01 | 1,003.49 |
| Total (C) | 1.22 | 742.18 | 2.02 | 1,008.21 |
| Grand Total A+B+C | 100.00 | 60,728.46 | 100.00 | 49,930.19 |

33 (8) During the year Purchase Stock in trade shown on Consumption Basis

33 (9) As on 31.03.15 company has given Financial Guarantee of \$10.50 million for its wholly owned overseas subsidiary.

34) Financial & Derivative Instruments

a) Derivative contracts entered into by the Company as on 31st March,2015

Value in ₹ in lacs

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-------------------|---------------------|---------------------|
| Forward Contracts | 4432.19 | 2116.50 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

b) Unhedge Foreign Currency exposures :-

| Particulars | Value in ₹ in lacs | |
|-------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| For Secured Loans | 5,616.17 | 14,518.86 |

35 (1) Value of imports on CIF basis in respect of

| | ₹ in lacs | |
|-------------------------------------|-----------|----------|
| | 2014-15 | 2013-14 |
| Raw Materials & Components & Spares | 2,567.05 | 4,283.00 |
| Capital Goods | 0.72 | 66.75 |

35 (2) Expenditure in foreign currency

| | ₹ in lacs | |
|-------------------------------|-----------|----------|
| Ocean/Air Freight | 14.79 | 206.30 |
| Other Clearing Exp | 62.25 | 137.10 |
| Consultancy Charges | 78.87 | 19.78 |
| Sales Commission | 160.88 | 252.10 |
| Sales Promotion Exp | 101.82 | 183.25 |
| Bank Interest | 995.3 | 1,041.45 |
| Office Exp | 7.73 | 6.55 |
| Travelling Exp | 15 | 21.44 |
| Bank Charges | 6 | - |
| Repairs - Plant And Machinery | 26.32 | |
| Other Exp | 693.73 | 376.07 |
| Discount Given On Sales | - | 16.41 |

35 (3) Payment to auditors as (excluding service tax)

| | ₹ in lacs | |
|-----------------------|--------------|--------------|
| (a) AUDITOR :- | | |
| Statutory Audit Fees | 25.00 | 25.00 |
| Vat Audit Fees | 2.75 | 2.50 |
| (b) Certification | 5.15 | 3.70 |
| (c) Taxation & Others | 7.11 | 6.73 |
| TOTAL | 40.01 | 37.93 |

35 (4) Earnings per share

| | ₹ in lacs | |
|--|-----------|----------|
| (a) Net Profit After Tax as per Statement of Profit & Loss attributable to Equity Shareholders | 10,792.34 | 8,384.43 |
| (b) Weighted Average number of equity shares used as denominator for calculating EPS | 180.99 | 180.99 |
| (c) Basis & Diluted EPS | 59.63 | 46.33 |
| (d) Face Value per equity share | 10.00 | 10.00 |

35 (5) Earnings in foreign currency

| | ₹ in lacs | |
|--|-----------|-----------|
| (a) FOB value of exports (Invoice Value - ₹ 9476.06) | 8,582.33 | 15,907.39 |
| (b) Other | 492.62 | 589.35 |

NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET as at 31st March, 2015

36) The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circulars and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statement.

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

For and on behalf of the Board

S.N. Nuwal
Director

Manish Nuwal
Director

K.S.Talesra
C.E.O

Nilesh Panpaliya
C.F.O.

SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT 2013, READ WITH RULES 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC - 1

Part "A" : Subsidiaries

₹ in Lakhs

| Sr No | 1 | 2 | 3 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|--|-------------------------|----------------------------|----------------------------|------------------------------|---|---------------------------------|----------------------------------|----------------------|----------------------------|------------------------------------|---------------------------------------|---------------------------------|---------------------------|
| Name of Subsidiaries Particulars | Economic Explosives Ltd | Solar Mining Resources Ltd | Solar Mines & Minerals Ltd | Solar Overseas Mauritius Ltd | Solar Overseas Netherlands Cooperative U.A. | Solar Overseas Netherlands B.V. | Solar Overseas Singapore Pte Ltd | Nigachem Nigeria Ltd | Solar Explochem Zambia Ltd | PATSAN PATLAYICI MAD.SAN. TIC.A.₹. | SOLAR PATLAYICI MAD. SAN. Ve TIC.A.₹. | SOLAR INDUSTRIES AFRICA LIMITED | PT. SOLAR MINING SERVICES |
| Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| Capital | 480.00 | 5.00 | 5.00 | 5,312.50 | 6,540.61 | 7,984.86 | 293.66 | 1,546.25 | 3.85 | 822.54 | 5,863.52 | 42.59 | 500.57 |
| Reserves | 21,490.43 | 480.32 | (7.34) | 1,345.92 | 212.83 | (173.58) | (23.10) | 3,808.73 | 2,505.04 | 37.68 | 376.95 | (6.34) | (42.94) |
| Total Assets | 34,513.35 | 494.03 | 63.08 | 13,457.26 | 12,466.48 | 8,773.32 | 283.60 | 14,254.65 | 7,135.47 | 2,136.83 | 12,592.40 | 37.46 | 457.63 |
| Total Liabilities | 34,513.35 | 494.03 | 63.08 | 13,457.26 | 12,466.48 | 8,773.32 | 283.60 | 14,254.65 | 7,135.47 | 2,136.83 | 12,592.40 | 37.46 | 457.63 |
| Details of Investments (Except Investment in subsidiaries) | 2,501.53 | 439.11 | - | - | - | - | - | - | - | - | - | - | - |
| Turnover | 15,226.57 | 5.31 | - | - | - | - | - | 15,425.97 | 7,809.74 | - | 10,372.79 | - | - |
| Profit before Taxation | 3,990.65 | 20.40 | (7.52) | 1,178.74 | (418.19) | 43.92 | (3.51) | 1,713.94 | 711.73 | - | 542.03 | (6.13) | (22.23) |
| Provision for Taxation | 669.30 | 0.40 | - | 35.24 | - | - | - | 560.74 | 120.10 | - | - | - | - |
| Profit after Taxation | 3,321.35 | 20.00 | (7.52) | 1,143.50 | (418.19) | 43.92 | (3.51) | 1,153.20 | 591.63 | - | 542.03 | (6.13) | (22.23) |
| Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % of Shareholding | 100% | 100% | 100% | 100% | | | | | | | | | |

1. M/s Solar Nitrochemicals Limited*

2. M/s Solar Mining Services Pty. Limited*

3. M/s Solar Explochem Mauritius Limited*

4. M/s Solar Mining Services Australia Pty. Ltd*

5. M/s Solar Explochem (Ghana) Limited*

6. M/s Solar Industrias Mocambique Limitada*

*Note: The Company has not subscribed to the Capital and as the Company has not commenced its business operations, financial performance is not available.

Part "B": Associates
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

₹ in Lakhs

| Sr No | Name of Associates | Shares of Associates held by the Company on the year end | | | Profit / Loss for the year | | | Reason why the Associate is not consolidated | |
|-------------------|--|--|---------------|---|----------------------------|--|-------------------------------------|--|---------------------------------|
| | | Latest audited Balance Sheet Date | No. of Shares | Amount of Investment in Associates (in Lac) | Extend of Holding % | Networth attributable to Shareholding as per latest audited Balance Sheet (in Lac) | Considered in Consolidated (in Lac) | | Not Considered in Consolidation |
| Associates | | | | | | | | | |
| 1 | SMS Bhatgaon Mines Extension Private Limited | 31.03.2015 | 490000 | 49.00 | 49 | 49.00 | 0.00 | - | Note-A |
| 2 | Solar Bhatgaon Extension Mines Private Limited | 31.03.2015 | 490000 | 49.00 | 49 | 49.00 | 0.00 | - | Note-A |

Note:

A. There is significant influence due to percentage(%) of Share Capital.

The above statement also indicates performance and financial position of each of the associates.

As per our report of even date attached

For **Gandhi Rathi & Co.,**
Chartered Accountants

For and on behalf of the Board

C.N. Rathi

Partner

M. NO. 39895

Firm Reg.No. 103031W

S.N. Nuwal

Director

Manish Nuwal

Director

Place : Nagpur

Date : 25.05.2015

Khushboo Pasari

Company Secretary

K.S.Talesra

C.E.O

Nilesh Pampaliya

C.F.O.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Solar Industries India Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **M/s. Solar Industries India Limited.**, ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Profit and Loss Statement and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of the 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 misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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.

OPINION

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 reports of other auditors, on the financial statements/ consolidated financial statements of the subsidiaries as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

OTHER MATTERS

1. We did not audit the financial statements/consolidated financial statements of certain subsidiaries included in consolidated financial statements which constitute total assets of ₹ **38,265.99 lacs** as at March 31, 2015, total revenues of ₹ **33,616.12 lacs** and net cash outflows amounting to ₹ **723.28 lacs** for the year then ended. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements.

Our opinion is not qualified in respect of other matters.

For Gandhi Rathi & Co.

Chartered Accountants
Firm Registration No. 103031W

(C. N. Rathi)

Partner

M. No. 39895

Place : Nagpur

Date : 25.05.2015

BALANCE SHEET

as at 31st March, 2015

₹ in Lakhs

| PARTICULARS | NOTE | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---------------------------------|---------|---------------------|---------------------|
| CAPITAL AND LIABILITIES | | | |
| SHARE HOLDERS' FUND | | | |
| Share Capital | 1 | 1809.80 | 1809.80 |
| Reserves and Surplus | 2 | 75778.49 | 64347.61 |
| | | 77588.29 | 66157.41 |
| MINORITY INTEREST | | | |
| | | 4714.16 | 3810.29 |
| NON-CURRENT LIABILITIES | | | |
| Long -term borrowings | 3 | 15593.30 | 15236.65 |
| Deferred tax liabilities (net) | | 4435.10 | 2701.03 |
| Other Long-term liabilities | 4 | 4.04 | 4.30 |
| Long-term provisions | 5 | 114.56 | 127.30 |
| | | 20147.00 | 18069.28 |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 6 | 17254.80 | 29037.61 |
| Trade payables | 7 | 6263.24 | 3852.22 |
| Other current liabilities | 8 | 12152.42 | 13055.64 |
| Short-term provisions | 9 | 799.04 | 1266.96 |
| | | 36469.50 | 47212.43 |
| TOTAL | | 138918.95 | 135249.41 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Tangible Assets | 10 | 58486.38 | 48378.45 |
| Intangible asset-Goodwill | | 0.00 | 710.05 |
| Capital Work-In-Progress | 10 | 6105.10 | 8103.91 |
| Non-current investments | 11 | 772.78 | 1016.70 |
| Long-term loans and Advances | 12 | 8669.71 | 8444.99 |
| Other Non current Assets | 13 | 3875.69 | 2027.46 |
| | | 77909.66 | 68681.56 |
| CURRENT ASSETS | | | |
| Current Investments | 14 | 2963.31 | 1501.99 |
| Inventories | 15 | 16487.99 | 15282.62 |
| Trade receivables | 16 | 19129.70 | 18534.09 |
| Cash and Bank Balance | 17 | 3727.44 | 13301.61 |
| Loans and Advances | 18 | 6911.86 | 5802.45 |
| Other Current Assets | 19 | 11788.99 | 12145.09 |
| | | 61009.29 | 66567.85 |
| TOTAL | | 138918.95 | 135249.41 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1 to 19 | | |

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

For and on behalf of the Board

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

S.N. Nuwal
Director
K.S.Talesra
C.E.O

Manish Nuwal
Director
Nilesh Panpaliya
C.F.O.

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2015

₹ in Lakhs

| PARTICULARS | NOTE | 2014-15 | 2013-14 |
|--|----------|------------------|------------------|
| INCOME | | | |
| Revenue From Operations | 20 | 146285.63 | 122377.53 |
| Less: Excise Duty / Service Tax | | 11096.18 | 9081.64 |
| | | 135189.45 | 113295.89 |
| Other Income | 21 | 790.47 | 1115.72 |
| TOTAL REVENUE | | 135979.92 | 114411.61 |
| EXPENDITURE | | | |
| Cost of Material Consumed | 22 | 78421.33 | 59432.74 |
| Purchases of Stock in Trade | | 1846.54 | 962.98 |
| Changes in inventories of Finished Goods, Semi Finished Goods and Stock in Trade | 23 | -3396.85 | -1313.78 |
| Employee Benefit Expenses | 24 | 7979.75 | 6730.90 |
| Finance Costs | 25 | 1785.12 | 1785.65 |
| Depreciation | | 3145.33 | 2186.92 |
| Other Expenses | 26 | 24936.95 | 27185.20 |
| TOTAL EXPENSES | | 114718.17 | 96970.61 |
| Profit before exceptional and extraordinary | | 21261.75 | 17441.00 |
| Less: Exceptional Items | 27 | 1000.14 | 1000.14 |
| PROFIT BEFORE TAXATION | | 20261.61 | 16440.86 |
| Tax Expenses : | | | |
| Current Tax | | 3669.96 | 4247.38 |
| MAT Credit | | -119.57 | -880.43 |
| Deferred Tax | | 1201.18 | 636.76 |
| Prior Period Taxes | | -123.27 | -513.33 |
| | | 4628.30 | 3490.38 |
| Profit for the Year (Before Adjustment of Minority Interest) | | 15633.31 | 12950.48 |
| Less : Share of Profit Transferred to Minority Interest | | 892.62 | 1106.29 |
| Profit for the Year (After Adjustment of Minority Interest) | | 14740.69 | 11844.19 |
| Earning per equity share of face value ₹ 10 each | | 81.45 | 65.44 |
| Significant Accounting Policies | 20 to 41 | | |
| Notes to Financial Statements | | | |

As per our Report of even date

For **Gandhi Rathi & Co.,**
Chartered Accountants

For and on behalf of the Board

C.N. Rathi

Partner

M. NO. 39895

Firm Reg.No. 103031W

Place : Nagpur

Date : 25.05.2015

Khushboo Pasari

Company Secretary

S.N. Nuwal

Director

K.S.Talesra

C.E.O

Manish Nuwal

Director

Nilesh Panpaliya

C.F.O.

CASH FLOW STATEMENT

for the year ended on 31st March, 2015

₹ in Lakhs

| PARTICULARS | AS AT | | AS AT | |
|--|------------|-----------------|------------|-----------------|
| | 31.03.2015 | | 31.03.2014 | |
| A. Cash Flow From Operating Activities | | | | |
| Net Profit Before Tax | | 20261.61 | | 16440.86 |
| Adjustments for : | | | | |
| Minority Interest | 903.87 | | - | |
| Depreciation | 3145.33 | | 2186.92 | |
| Interest & Financial Expenses | 1785.12 | | 1785.65 | |
| Foreign Exchange & Other | 986.11 | | 580.19 | |
| Deperication on Reserve | 693.43 | | - | |
| Provision forAdvances Written off | 1000.14 | | 1000.14 | |
| | | 8514.00 | | 5552.90 |
| Operating Profit before working Capital Changes | | 28775.61 | | 21993.76 |
| (Increase)/Decrease in Sundry Debtors | -595.61 | | -2942.05 | |
| (Increase)/Decrease in Inventories | -1205.37 | | -1669.83 | |
| (Increase)/Decrease in Other Current Assets | 356.09 | | -2885.62 | |
| Increase/(Decrease) in Trade payables | 2411.02 | | 1539.55 | |
| Increase/(Decrease) in Other Current Liabilities | -903.21 | | 3813.17 | |
| Increase/(Decrease) in Short Term Provision | -467.91 | | - | |
| | | -404.99 | | -2144.78 |
| Cash Generated from Operations | | 28370.62 | | 19848.98 |
| Income Tax and Other Taxes | 5321.72 | | 2853.62 | |
| | | 5321.72 | | 2853.62 |
| Net Cash from Operating Activities | | 23048.90 | | 16995.36 |
| B. Cash Flow From Investing Activities | | | | |
| Increase in Deferred Tax Liabilities | 1734.06 | | - | |
| Increase in Tangible Assets | -13946.69 | | -13889.13 | |
| Increase in Capital Work-In-Progress | 1998.81 | | -2042.94 | |
| Increase in Non-current investment | 243.93 | | -94.67 | |
| (Increase)/Decrease in Current Investment | -1461.32 | | 2469.85 | |
| Increase in Other Non current Asset | -1848.23 | | -1599.57 | |
| (Increase)/Decrease in Loans & Advances | -1334.14 | | 237.40 | |
| Goodwill | 710.05 | | -140.22 | |
| Provision forAdvances Written off | -1000.14 | -14903.67 | -1000.14 | -16059.42 |
| Net Cash from Investing Activities | | 8145.23 | | 935.94 |

| PARTICULARS | AS AT | | ₹ in Lakhs |
|--|------------|-----------|---------------------|
| | 31.03.2015 | | AS AT 31.03.2014 |
| C. Cash Flow From Financing Activities | | | |
| Bank Working Capital Loan | -11782.81 | | 1311.91 |
| Increase/(Decrease) in Long Term Borrowing | 356.65 | | 8509.82 |
| Increase/(Decrease) in Long Term Provisions | -12.74 | | 0.37 |
| Increase/(Decrease) in Long Term Liabilities | -0.26 | | 2.30 |
| Interest & Financial Expense | -1785.12 | | -1785.65 |
| Dividend Paid | -3086.76 | | -2153.54 |
| Tax on Dividend | -515.74 | | -284.54 |
| Minority Interest | -892.62 | | -2454.24 |
| Net Cash from Financing Activities | | -17719.40 | 3146.43 |
| Net Increase in Cash & Cash equivalents | | -9574.17 | 4082.37 |
| Notes : | | | |
| 1) Cash & Cash equivalents at the beginning of period | 13301.61 | | 9219.24 |
| Cash & Cash equivalents at the end of period | 3727.44 | | 13301.61 |
| | -9574.17 | | 4082.37 |
| 2) The above cash flow statement has been prepared in accordance with the requirements of Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India. | | | |

As per our Report of even date
For **Gandhi Rathi & Co.,**
Chartered Accountants

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

For and on behalf of the Board

S.N. Nuwal
Director

Manish Nuwal
Director

K.S.Talesra
C.E.O

Nilesh Panpaliya
C.F.O.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE - 1 SHARE CAPITAL

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (a) Authorised Share Capital | | |
| 27000000 Equity Shares of ₹ 10/- each | 2700.00 | 2700.00 |
| Issued, Subscribed & Paid up | | |
| 18098011 Equity Shares of ₹ 10/- each | 1809.80 | 1809.80 |
| | 1809.80 | 1809.80 |
| 774195 Shares were allotted during last 5 years | | |
| (b) Reconciliation Statement of Shares Outstanding | | |
| Number of Shares at the beginning of the year | 180.98 | 180.98 |
| Add: Shares issued during the year | 0.00 | 0.00 |
| Number of Shares at the end of the year | 180.98 | 180.98 |

NOTE - 2 RESERVES AND SURPLUS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| CAPITAL RESERVE | 71.51 | 50.00 |
| Security Premium Account | 14912.93 | 14912.93 |
| ADD - Issue of Share | 0.00 | 0.00 |
| | 14912.93 | 14912.93 |
| General Reserve | | |
| Opening Balance | 23253.66 | 18753.66 |
| Add:- Transfer from profit & Loss Account | 5000.00 | 4500.00 |
| Closing Balance | 28253.66 | 23253.66 |
| Profit & Loss Account | 32096.44 | 26186.19 |
| FOREIGN EXC FLUCTUATION RESERVE | 443.95 | -55.17 |
| Total | 75778.49 | 64347.61 |

NOTE - 3 LONG TERM BORROWINGS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (a) SECURED LOANS | | |
| 1. FOREIGN CURRENCY ECB TERM LOAN FROM BANKS* | 15529.09 | 15171.65 |
| (b) UNSECURED LOANS | | |
| 1. Sales Tax Deferral Loan # | 64.21 | 64.21 |
| 2. Loan from Related Party (See Note No 40) | 0.00 | 0.79 |
| | 15593.30 | 15236.65 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE - 4 OTHER LONG-TERM LIABILITIES

| Particular | ₹ in Lakhs | |
|------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Unpaid dividends | 4.04 | 4.30 |
| | 4.04 | 4.30 |

NOTE - 5 LONG-TERM PROVISION

| Particular | ₹ in Lakhs | |
|--------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Provision for Sales Promotions | 114.56 | 127.30 |
| | 114.56 | 127.30 |

NOTE - 6 SHORT-TERM BORROWINGS

| Particular | ₹ in Lakhs | |
|-------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| SECURED LOANS | | |
| CASH CREDIT | | |
| RUPEE LOAN FROM BANK # | 10884.45 | 10189.85 |
| FOREIGN CURRENCY LOAN FROM BANK # | 5616.17 | 8694.36 |
| Total Secured Loans - | 16500.62 | 18884.21 |
| UNSECURED LOANS | | |
| Rupee Loan Working Capital | 0.00 | 2069.84 |
| Buyers Credit Loan | | |
| Foreign Currency Loan From Banks | 0.00 | 2990.11 |
| Working Capital Loan | | |
| Foreign Currency Loan | 0.00 | 3278.55 |
| Related Parties | | |
| From Related Party (See Note No 40) | 754.18 | 1814.90 |
| Total Unsecured Loans - | 754.18 | 10153.40 |
| | 17254.80 | 29037.61 |

Notes:

- # Working Capital loans are secured by hypothecation of entire stocks, raw material, stock in process, finished goods, consumables, stores & spares, book debts, outstanding money receivables, entire current asset of company, claims & bills receivables & paripassu second charges on current & future fixed assets.
- Solar Overseas Mauritius Ltd. has taken revolving loan facility from DBS Bank amounting USD 10 Mi referred above is secured by fixed assets of Solar Industries India Ltd. & personal guarantee of Shri S.N. Nuwal

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE - 7 TRADE PAYABLES

| Particular | ₹ in Lakhs | |
|----------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Creditors for Goods | 5861.01 | 3409.84 |
| Micro Small & Medium Enterprises | 399.66 | 440.66 |
| Related Party (See note No 40) | 2.57 | 1.72 |
| | 6263.24 | 3852.22 |

* The details of amounts outstanding to Micro, Small & Medium Enterprises based on the available information with the company as under :-

| | | |
|---|---|---|
| Principal amount due & Remaining Unpaid. | - | - |
| Interest due on above & the Unpaid Interest | - | - |
| Interest Paid | - | - |
| Payment made beyond the appointed date during the year | - | - |
| Interest due & payable for the period of delay | - | - |
| Interest accrued & remaining unpaid | - | - |
| Amt of further interest remaining due & payable in Succeeding years | - | - |

NOTE - 8 OTHER CURRENT LIABILITIES

| Particular | ₹ in Lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Current Maturity of long term Debt | 4218.88 | 4086.72 |
| Others Payables * | 5011.44 | 5761.34 |
| Creditors for Fixed Assets | 476.36 | 561.44 |
| Advances received from Customers | 1361.89 | 1015.87 |
| Creditors for Transporter & Other | 1083.85 | 1630.27 |
| | 12152.42 | 13055.64 |

Other payable includes Statutory dues & Expenses Payable.

NOTE - 9 SHORT TERM PROVISIONS

| Particular | ₹ in Lakhs | |
|---------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Provision for employee benefits | 517.59 | 478.84 |
| Others # | 281.45 | 788.12 |
| | 799.04 | 1266.96 |

The company had recognised liability on the basis of expenses incurred on substantial degree of estimation on sale of goods. Actual cash flow is expected in next Financial Year

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

₹ in Lakhs

| ASSETS | GROSS BLOCK | | ADDITIONS | | DEDUCTIONS | | GROSS BLOCK | | DEPRECIATION | | DEDUCTIONS ON IMPAIRMENT / ASSET SALE | | RETAINED EARNING (REFER NOTE A) | | DEPRECIATION | | NET BLOCK | |
|--------------------------------|-----------------|-----------------|-----------------|---------------|----------------|----------------|-----------------|----------------|----------------|----------------|---------------------------------------|---------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | AS ON | | DURING PERIOD | | DURING PERIOD | | AS ON | | UPTO | | DURING THE PERIOD | | UP TO | | AS ON | | AS ON | |
| | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 | 01.04.2014 | 31.03.2015 |
| LAND | 7666.12 | 7660.30 | 207.76 | 213.58 | 0.00 | 0.00 | 7660.30 | 7660.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7666.12 | 7660.30 | 0.00 | 0.00 |
| PLOT | 285.18 | 1466.24 | 1181.06 | 0.00 | 0.00 | 0.00 | 1466.24 | 1466.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 285.18 | 1466.24 | 0.00 | 0.00 |
| CIVIL CONSTRUCTION | 20268.78 | 25034.77 | 4813.41 | 47.42 | 2330.19 | 727.19 | 25034.77 | 2330.19 | 2330.19 | 727.19 | 2.33 | 446.49 | 3501.54 | 17938.59 | 21533.23 | 21533.23 | 17938.59 | 21533.23 |
| OFFICE BUILDING | 473.83 | 473.83 | 0.00 | 0.00 | 24.95 | 1.53 | 473.83 | 24.95 | 24.95 | 1.53 | 0.00 | 0.00 | 26.48 | 448.88 | 447.35 | 447.35 | 448.88 | 447.35 |
| PLANT & MACHINERY | 23286.23 | 30677.04 | 7408.59 | 17.78 | 4047.46 | 1764.03 | 30677.04 | 4047.46 | 4047.46 | 1764.03 | 1.73 | 173.02 | 5982.78 | 19238.78 | 24694.26 | 24694.26 | 19238.78 | 24694.26 |
| CSR Assets | 0.00 | 100.27 | 100.27 | 0.00 | 0.00 | 0.00 | 100.27 | 0.00 | 0.00 | 0.00 | 1.38 | 5.55 | 0.00 | 0.00 | 100.27 | 100.27 | 0.00 | 0.00 |
| FURNITURE & FIXTURES | 690.13 | 743.85 | 56.75 | 3.03 | 176.47 | 79.63 | 743.85 | 176.47 | 176.47 | 79.63 | 0.00 | 0.00 | 260.27 | 513.66 | 483.58 | 483.58 | 513.66 | 483.58 |
| ELECTRIC INSTALLATION | 101.20 | 182.92 | 81.72 | 0.00 | 30.35 | 17.95 | 182.92 | 30.35 | 30.35 | 17.95 | 0.00 | 0.00 | 48.30 | 70.85 | 134.62 | 134.62 | 70.85 | 134.62 |
| OFFICE EQUIPMENT | 926.84 | 1083.66 | 156.82 | 0.00 | 445.29 | 164.01 | 1083.66 | 445.29 | 445.29 | 164.01 | 0.00 | 61.43 | 670.73 | 481.55 | 412.93 | 412.93 | 481.55 | 412.93 |
| VEHICLES | 3827.59 | 3948.03 | 224.44 | 104.00 | 2105.11 | 388.93 | 3948.03 | 2105.11 | 2105.11 | 388.93 | 87.97 | 6.94 | 2413.01 | 1722.48 | 1535.02 | 1535.02 | 1722.48 | 1535.02 |
| PLANTATION | 9.76 | 9.76 | 0.00 | 0.00 | 0.00 | 0.00 | 9.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9.76 | 9.76 | 9.76 | 9.76 | 9.76 |
| Other tangible Asset- Computer | 4.77 | 13.05 | 8.28 | 0.00 | 2.17 | 2.06 | 13.05 | 2.17 | 2.17 | 2.06 | 0.00 | 0.00 | 4.23 | 2.60 | 8.82 | 8.82 | 2.60 | 8.82 |
| | 57540.43 | 71393.72 | 14239.10 | 385.81 | 9161.99 | 3145.33 | 71393.72 | 9161.99 | 9161.99 | 3145.33 | 93.41 | 693.43 | 12907.34 | 48378.45 | 58486.38 | 58486.38 | 48378.45 | 58486.38 |

Capital work in progress

1. Capital Work in Progress includes:

| | 31.03.2015 | 31.03.2014 |
|--|----------------|----------------|
| Project Development Expenditure | 2724.36 | 2768.60 |
| Machinery under Installation | 337.69 | 1888.97 |
| Furniture & Fixture under Installation | 9.91 | 4.32 |
| Building Under Construction | 258.88 | 3294.36 |
| Vehicle | 171.40 | 124.12 |
| Plantation | 0.00 | 11.19 |
| Office Equipment | 0.00 | 12.35 |
| Free Hold Land | 233.02 | 0.00 |
| Cost of Materials at site | 396.72 | 0.00 |
| Factory Equipment | 4.89 | 0.00 |
| Misc Expenses to extend Not W/Off | 0.93 | 0.00 |
| Pre-Operative Losses | 1967.30 | 0.00 |
| TOTAL | 6105.10 | 8103.91 |

Note A :-

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortization and Depletion. Accordingly the unamortized carrying value is being depreciated / amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to ₹ 693.43 lacs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE - 11 NON- CURRENT INVESTMENTS

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| NON- CURRENT INVESTMENTS | | |
| LONG-TERM INVESTMENTS | | |
| (Unquoted equity instruments)-At Cost | | |
| Equity share - 490000 Nos. @ of ₹ 10 each held in SMS Bhatgaon Extension Mines Pvt Ltd | 49.00 | 49.00 |
| Equity share - 490000 Nos. @ of ₹ 10 each held in Solar Bhatgaon Extension Mines Pvt Ltd | 49.00 | 49.00 |
| Equity share - 250000 Nos. @ of ₹ 10 each held in Rainbow Production Ltd | 25.00 | 25.00 |
| Equity share - 110000 Nos. @ of ₹ 10 each held in Ganga Care Hospital Ltd | 11.00 | 11.00 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Agro Florestal | 0.00 | 0.37 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Industries Lda | 0.00 | 0.37 |
| Equity share - 3700 Nos. @ of ₹ 10 each held in Solar Recursos Mineral Lda | 0.00 | 0.37 |
| 2038608 no. of Equity shares @ 10 each of Madanpur (North) Coal Company Pvt. Ltd.(120564 shares allotted during the year) | 0.00 | 207.46 |
| Share Application Money with Madanpur (North) Coal Company Pvt Ltd | 0.00 | 9.08 |
| Equity share - 394625 Nos. @ of ₹ 62.50 each Australian Explosives Tech Gr PTY Ltd. | 246.64 | 236.42 |
| Equity share - 40080 Nos. @ of ₹ 62.50 each SOLAR Mining Services Australia Pty LTD. | 25.05 | 24.01 |
| Equity share - 2 Nos. @ of ₹ 62.50 each Solar Explochem Mauritius Ltd. | 0.00 | 0.00 |
| Solar Indus trias Mocambique Limitada | 0.39 | 0.00 |
| Equity share - 7705 Nos. @ of ₹ 62.50 each Held in Solar Explochem Ghana Ltd. | 4.82 | 4.62 |
| | 410.90 | 616.69 |
| In Mutual Funds | | |
| (Valued at Cost) | | |
| Kotak Private Equity Bond- Growth Fund II | 361.48 | 399.61 |
| | 361.48 | 399.61 |
| Investments in Government or trust securities | | |
| (Valued at Cost) | | |
| NSC | 0.40 | 0.40 |
| | 0.40 | 0.40 |
| | 772.78 | 1016.70 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE-12 LONG TERM LOANS AND ADVANCES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Unsecured, considered good | | |
| Capital Advances | | |
| - Others | 1486.00 | 1254.58 |
| - loans & Advances - Good | | |
| - To, Related Party # (see note no 29) | 201.30 | 6681.07 |
| - To, Other | 6541.99 | 120.35 |
| - Doubtful Advances Related Party | 0.00 | 2000.29 |
| | 6743.29 | 8801.71 |
| Less : Provision for Doubtful Advances | 0.00 | 2000.29 |
| | 6743.29 | 6801.42 |
| Security Deposit & other Deposit | | |
| - Others | 440.42 | 388.99 |
| | 8669.71 | 8444.99 |

NOTE-13 OTHER NON CURRENT ASSET

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Misc. Expenses to the extent not written off | 0.00 | 403.18 |
| Pre-Operative Expenses | 61.86 | 0.70 |
| Bank Deposit above 12 Month Maturity | 25.10 | 4.23 |
| Trade Receivable (Above 12 months) | | |
| - Other | 3788.73 | 1619.35 |
| | 3875.69 | 2027.46 |

NOTE-14 CURRENT INVESTMENTS

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| In Mutual Funds | | |
| Reliance Mutual Fund | 2601.53 | 1250.00 |
| Reliance Regular Savings Fund - Debt Plan | 339.11 | 0.00 |
| | 2940.64 | 1250.00 |
| Investments in Equity Instruments-Quoted | 22.67 | 251.99 |
| | 2963.31 | 1501.99 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE-15 INVENTORIES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (Valued at weighted average cost basis) | | |
| Raw Materials, Packing Materials | 7723.92 | 8808.95 |
| Consumables | 865.75 | 1175.94 |
| Stock in Trade - (Traded Goods) | 193.44 | 24.16 |
| Semi Finished Goods | 996.40 | 763.60 |
| Finished Goods | 6514.26 | 4259.70 |
| Goods In Transit | 194.22 | 250.27 |
| | 16487.99 | 15282.62 |

NOTE-16 TRADE RECEIVABLES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| (a) Over 6 Months | | |
| Unsecured Considered Good | | |
| - Other | 1773.54 | 2375.21 |
| | 1773.54 | 2375.21 |
| Less: Provision for Doubtful Trade Receivables | 585.70 | 571.10 |
| | 1187.84 | 1804.11 |
| (b) Other (Secured) | | |
| Secured Considered Good | | |
| - Other | 494.32 | 837.61 |
| Unsecured Considered Good | | |
| - Other | 17447.54 | 15892.37 |
| | 19129.70 | 18534.09 |

NOTE-17 CASH AND CASH EQUIVALENTS

| Particular | ₹ in Lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Cash and Cash Equivalent | | |
| Balances with Banks: | | |
| In Current Accounts | 1324.77 | 6028.97 |
| Cash in hand | 162.87 | 92.29 |
| Other Bank Balances | | |
| In Fixed Deposit (Below 12 Months) | 2239.80 | 7180.35 |
| | 3727.44 | 13301.61 |

- (i) FDR of ₹ 62655575 /- held as margin money or security against the borrowing & other commitments of less than 12 months period.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE-18 SHORT TERM LOANS AND ADVANCES

| Particular | ₹ in Lakhs | |
|-----------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Unsecured, considered good | | |
| Related parties (see note no. 40) | 276.92 | 173.40 |
| Loans & Advances to Employees | 133.76 | 108.32 |
| Material Suppliers | 1437.05 | 1899.68 |
| other advances | 5064.13 | 3621.05 |
| | 6911.86 | 5802.45 |

NOTE-19 OTHER CURRENT ASSETS

| Particular | ₹ in Lakhs | |
|----------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Balance with Revenue Authorities | 11341.00 | 11538.97 |
| Other Receivable | 206.74 | 418.11 |
| Prepaid Expenses | 173.39 | 172.90 |
| Interest Accrued but not due | 67.86 | 15.11 |
| | 11788.99 | 12145.09 |

NOTE-20 REVENUE FROM OPERATIONS

| Particular | ₹ in Lakhs | |
|---------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Sale of products | | |
| Finished goods | 141710.49 | 119469.75 |
| Traded goods | 3854.57 | 2180.15 |
| Other Sales | 81.87 | 0.00 |
| Other Operating Revenue | 638.70 | 727.63 |
| | 146285.63 | 122377.53 |
| Less: Excise Duty / Service Tax | 11096.18 | 9081.64 |
| Total | 135189.45 | 113295.89 |

NOTE-21 OTHER INCOME

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Interest Income | | |
| Interest From Bank | 84.60 | 213.80 |
| Interest From Bond | 29.12 | 0.00 |
| Interest from Other | 427.45 | 403.92 |
| Dividend Income | | |
| From Other | 56.08 | 24.36 |
| Other Miscellaneous Income | 84.98 | 473.64 |
| Income from Short Term Gain / Loss on Shares | 108.24 | 0.00 |
| | 790.47 | 1115.72 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE-22 COST OF MATERIALS CONSUMED

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Raw material consumed | | |
| Opening inventory | 7954.02 | 9336.98 |
| Add : Purchases (net) | 73058.23 | 54628.61 |
| Less : Inventory at the end of the year | 6798.65 | 8090.96 |
| Cost of raw materials consumed during the year | 74213.60 | 55874.63 |
| Packing material consumed | | |
| Opening inventory | 642.53 | 335.66 |
| Add : Purchases (net) | 4807.32 | 3873.17 |
| Less : Inventory at the end of the year | 1242.12 | 650.72 |
| Cost of packing materials consumed during the year | 4207.73 | 3558.11 |
| | 78421.33 | 59432.74 |

NOTE-23 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

| Particular | ₹ in Lakhs | |
|-----------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Increase/Decrease in Stocks | -3396.85 | -1313.78 |

NOTE-24 EMPLOYEE BENEFITS EXPENSE

| Particular | ₹ in Lakhs | |
|---|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Salaries, Wages and Bonus | 7360.55 | 6169.06 |
| Contribution to Provident and Other Funds | 335.65 | 260.62 |
| Gratuity | 105.50 | 193.22 |
| Staff Welfare Expenses | 178.05 | 108.00 |
| TOTAL : | 7979.75 | 6730.90 |

NOTE-25 FINANCE COSTS

| Particular | ₹ in Lakhs | |
|----------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Interest Cost | 1444.47 | 1421.35 |
| Other Borrowing Cost | 340.65 | 364.30 |
| TOTAL : | 1785.12 | 1785.65 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

NOTE-26 OTHER EXPENSES

| Particular | ₹ in Lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Bank Charges | 287.22 | 223.01 |
| Consultancy Charges | 1180.33 | 262.80 |
| Consumption of Consumables | 1034.63 | 1326.56 |
| Conveyance Expenses | 454.65 | 191.32 |
| Discounts and Settlements | 772.69 | 923.04 |
| Export Expenses | 2646.96 | 4315.37 |
| Loss from Exchange Rate Fluctuation | -241.89 | 2670.76 |
| Power & Fuel | 1681.29 | 1477.03 |
| Pump Truck Expenses | 511.72 | 550.26 |
| Remuneration to Directors | 716.40 | 772.01 |
| Repairs & Maintenance - P & M, Electricals | 745.43 | 318.86 |
| Sales / Agency Commission | 687.29 | 461.80 |
| Sales Promotion Expenses | 276.31 | 587.15 |
| Sales Tax (Net) * | 6788.96 | 5031.27 |
| Security Service Charges | 568.60 | 471.38 |
| Transportation Charges | 2580.39 | 2083.88 |
| Travelling Charges | 692.96 | 523.73 |
| Other Expenses | 3553.01 | 4994.97 |
| GRAND TOTAL : | 24936.95 | 27185.20 |

NOTE-27 EXCEPTIONAL ITEMS

| Particular | ₹ in Lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 31.03.2015 | As at 31.03.2014 |
| Provision for Advances written-off | 0.00 | 1000.14 |
| Advances Written off | 1000.14 | 0.00 |
| | 1000.14 | 1000.14 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

28. Basis of preparation of Financials Statements

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in India for the year ended March 31, 2015.

29. Description of Business

Solar Industries India Limited Ltd., an explosives manufacturing company together with its subsidiaries, is engaged in manufacturing in various explosives products such as Slurry & emulsion base explosives, bulk explosives, detonators, detonating fuse, PETN and accessories required for the above product & supply of continuous emulsion plant for manufacturing of package explosives.

30. Financial & Derivative Instrument are given in Standalone.

31. Effects of Consolidation

As a result of consolidation, the following are the eliminations as a result of intra group transactions in the year ended March 31, 2015

(₹ in Lacs)

| Name of the Company | Sale of Goods | Purchase of Material | Services amount received | Services amount paid | Interest received | Interest Paid | Dividend received | Dividend paid |
|------------------------------------|---------------|----------------------|--------------------------|----------------------|-------------------|---------------|-------------------|---------------|
| Solar Industries India Limited | 8202.14 | 5078.81 | 68.24 | 5.31 | 95.15 | | 1444.90 | |
| Economic Explosives Ltd. | 6039.48 | 2564.80 | | | | 25.84 | | 1080.00 |
| Solar Mining Resources Ltd. | | | 5.31 | | | | | |
| Solar Mines & Minerals Ltd | | | | | 0.05 | 9.88 | | |
| Nigachem Nigeria Ltd. | | 3307.67 | | 68.24 | | | | |
| Solar Explochem Zambia Ltd. | | 1458.56 | | | | | | |
| ILCI Patlayici Mad. San. Tic. A.S. | | 1831.87 | | | | | | |
| Solar Overseas Mauritius Ltd | | | | | | 59.48 | | 364.90 |

32. During the year company has sold shares of its subsidiary M/s. Navbharat Coalfields Ltd at value of ₹ 800 lacs.

33. The Board of Directors of the Company in previous years decided to write off interest income from companies related to Bhatgaon Coal Blocks. An amount aggregating to ₹ 2000.29 lacs was provided in earlier years against the interest income which is written back in current year. The company has written off interest income of ₹ 3,000.42 lacs. The effect of these amounts was disclosed as Exceptional Items. The Board of Directors decided not to charge the interest on outstanding loans.

34. During the year our overseas subsidiary has made investment in Solar Industries Africa Ltd and PT Solar Mining Services.

35. Earnings per share

Basic earning per share has been reported as per Accounting Standards-20 relating to "Earning per share" which have been computed by dividing net profit after tax by the weighted average No of shares outstanding for the period.

(₹ in Lacs)

| Particulars | 31.03.2015 | 31.03.2014 |
|--|------------|------------|
| Net Profit for the year attributable to equity shareholders (Rupees in lacs) | 14740.69 | 11844.19 |
| Weighted Average No of Shares (In Lacs) | 180.99 | 180.99 |
| Earning per Share (Rupees) | 81.45 | 65.44 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

36. Contingent Liabilities

(₹ in Lacs)

| | | FY 2014-15 | FY 2013-14 |
|----|---|------------|------------|
| 01 | In respect of counter guarantees given to Banks. | 10512.61 | 6463.78 |
| 02 | In respect of Excise matters in dispute / under Appeals | 706.20 | 734.63 |
| 03 | In respect of Sales Tax matters (Deferment) | 947.01 | 947.01 |
| 04 | In respect of Income Tax matters in dispute / under Appeals | 438.87 | 353.14 |
| 05 | In respect of Sales Tax matters in dispute / under Appeals | 599.05 | 353.96 |

37. (i) The previous year's figures have been regrouped / reclassified wherever necessary, to correspond with the current year's classification/disclosure.

(ii) Uniform Accounting Policies

The consolidated financial statements have been prepared on the basis of the accounting policies and practice adopted by the individual entities, as indicated under financial statements of respective companies.

38. (i) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : of ₹ 277.77 lacs

(ii) As on 31.03.15 company has given Financial Guarantee of \$10.50 million for its wholly owned overseas subsidiary.

39. As Per Accounting Standard (AS) 17 on "Segment Reporting", we are having only one segment hence segment reporting not applicable.

40. Related party disclosures required as per AS-18 on 'Related Parties disclosures' issued by the Institute of Chartered Accountants of India, are below for the year ended on 31.03.2015

1. **Holding Company** : NIL
2. **Subsidiaries** :
 - a) Economic Explosives Ltd.
 - b) Solar Mines & Minerals Ltd.
 - c) Solar Mining Resources Ltd.
3. **Fellow Subsidiaries** : NIL
4. **Overseas Subsidiaries** : a) Solar Overseas Mauritius Ltd.
5. **Fellow Overseas Subsidiaries** :
 - a) Solar Overseas Netherlands Cooperative U.A.
 - b) Solar Overseas Netherlands B.V.
 - c) Solar Industries Mocambique LDA
 - d) PATSAN Patlayici Maddeler Sanayi Ve Ticaret
 - e) Solar Overseas Singapore Pte Ltd
 - f) Nigachem Nigeria Ltd
 - g) Solar Explochem Zambia Ltd
 - h) Solar Mining Services Australia Pty Ltd
 - i) Solar Nitrochemicals Ltd
 - j) Solar Explochem (Ghana) Ltd
 - k) P.T. Solar Mining Services
 - l) Solar Mining Services Pty Ltd.
 - m) Solar Industries Africa Ltd
 - n) Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31st March, 2015

6. Associates :
- Solar Synthetics Pvt. Ltd.
 - Mahakal Infrastructures Pvt. Ltd.
 - Mahakal Project Pvt. Ltd.
 - Nagpur Infrastructure Pvt. Ltd.
 - Solar Bhatgaon Extension Mines Pvt. Ltd.
 - SMS Bhatgaon Mines Extension Pvt. Ltd.
 - Solar Initiating Systems Ltd.
 - Solar Processors Ltd.
 - Australian Explosive Technologies Group Pty Ltd

- Key Management Personnel :
- Shri. S. N. Nuwal
 - Shri K. C. Nuwal
 - Shri Manish Nuwal
 - Shri K.S. Talesra
 - Shri R. D. Vakil
 - Shri Nilesh Panpaliya
 - Mrs. Khushboo Pasari

(₹ in Lacs)

| NATURE OF TRANSACTIONS | SUBSIDIARY | | ASSOCIATES / RELATED CONCERN | | KEY MANAGEMENT PERSONNEL | |
|------------------------|------------|---------|------------------------------|---------|--------------------------|---------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Loan Recd O/S | - | - | 754.18 | 1815.67 | - | - |
| Loan Given O/S | 75.10 | 12.32 | 403.13 | 8847.93 | - | - |
| Balance O/S | - | - | 2.56 | (1.72) | 6.23 | 6.23 |

41. The Audited / Un audited financial statement of foreign subsidiaries/associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The difference in accounting policies of the Company and its subsidiaries are not material.

For **Gandhi Rathi & Co.,**
Chartered Accountants

C.N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W
Place : Nagpur
Date : 25.05.2015

Khushboo Pasari
Company Secretary

For and on behalf of the Board

S.N. Nuwal
Director

Manish Nuwal
Director

K.S.Talesra
C.E.O

Nilesh Panpaliya
C.F.O.



SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033 (M.S.)

Tel: 91-0712-2550151 | Fax: 91-0712-2560202 | E-mail: cs@solargroup.com | Website: www.solargroup.com

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall Joint Shareholders may obtain attendance slip at the venue of the meeting.

| Name and Address of the Member | Registered Folio Number | Client ID & DP ID Number | Number of Shares held |
|--------------------------------|-------------------------|--------------------------|-----------------------|
| | | | |

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company to be held on Wednesday, September 09, 2015 at 12.30 P.M. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspath, Nagpur – 440 010, Maharashtra

Signature of the Member or the Proxy Attending the Meeting

| If Member, please sign here | If Proxy, please sign here |
|-----------------------------|----------------------------|
| | |

Note: Members are requested to bring their copies of Notice and 20th Annual Report to the Meeting as the same will not be circulated at the meeting.



SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033 (M.S.)

Tel: 91-0712-2550151 | Fax: 91-0712-2560202 | E-mail: cs@solargroup.com | Website: www.solargroup.com

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74999MH1995PLC085878

Name of the Company : SOLAR INDUSTRIES INDIA LIMITED

Registered office : 11, Zade Layout, Bharat Nagar, Nagpur-440033 (M.S.)

Name of the member (s) :

Registered address :

E-mail ID :

Folio No/ Client ID :

DP ID :

I/We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name : Address :

..... E-mail Id : Signature :

or failing him

(2) Name : Address :

..... E-mail Id : Signature :

or failing him

(2) Name : Address :

..... E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Wednesday, September 09, 2015 at 12.30 P.M. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspath, Nagpur – 440 010, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No | Brief Particulars of Resolution | I / We assent to the resolution (FOR) | I / We dissent to the resolution (AGAINST) |
|--------------------------|---|---------------------------------------|--|
| ORDINARY BUSINESS | | | |
| 1 | Adoption of Audited Financial Statements for the year ended March 31, 2015 and the Directors and Auditors Report thereon | | |
| 2 | To confirm the payment of Interim Dividend and to declare the final Dividend for the financial year 2014-15 | | |
| 3 | Re-appointment of Shri Manish Nuwal (DIN: 00164388) who retires by rotation | | |
| 4 | Appointment of M/s Gandhi Rathi & Co, Chartered Accountants, as Auditors and fixing their remuneration | | |
| SPECIAL BUSINESS | | | |
| 5 | Confirmation of the appointment of Shri Anil Kumar Jain (DIN: 03532932) as an Executive Director | | |
| 6 | Confirmation of the appointment of Smt Madhu Vij (DIN: 00025006) as a Non-Executive Independent Director from additional Director | | |
| 7 | Appointment of Smt Madhu Vij (DIN: 00025006) as a Woman Independent Director | | |
| 8 | Approval of the remuneration of Cost Auditor | | |

Signed this day of 2015

Affix One
Rupee
Revenue
Stamp here
& sign

Signature of Shareholder(s)

Note

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The Proxy need not be a member of the Company.
3. A person can act as a Proxy on behalf of the member not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. It is optional to put "X" in the appropriate column against the Resolution indicated in the Box. If you leave "FOR" or "AGAINST" column blank against any or all resolution(s), your proxy will be entitled to vote in the manner as he/she thinks appropriate.



SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033 (M.S.)

Tel: 91-0712-2550151 | Fax: 91-0712-2560202 | E-mail: cs@solargroup.com | Website: www.solargroup.com

BALLOT FORM

(Pl. read carefully the instructions printed overleaf before completing this form)

Sr. No.

1. Name :
- Registered Address :
- of Sole / First named Shareholder
(IN BLOCK LETTERS)
2. Name(s) of Joint Shareholder(s), if any :
- (IN BLOCK LETTERS)
3. Registered Folio No. / DP ID No.* / :
- Client ID No.* (*Applicable to Investors
holding shares in dematerialized form)
4. Number of Shares held (Equity Share of :
- ₹10/- each)
5. I/We hereby exercise my/our vote in respect of the Ordinary/Special Resolution(s) to be passed for the business stated in the Notice of the Twentieth Annual General Meeting of the Company scheduled on Wednesday, September 09, 2015, by conveying my / our assent (FOR) or dissent (AGAINST) to the said Resolution(s) by placing the tick (√) mark in the appropriate box below:

| Item No | Brief Particulars of Resolution | I / We assent to the resolution (FOR) | I / We dissent to the resolution (AGAINST) |
|--------------------------|--|---------------------------------------|--|
| ORDINARY BUSINESS | | | |
| 1 | Adoption of Audited Financial Statements for the year ended March 31, 2015 and the Directors and Auditors Report thereon. | | |
| 2 | To Confirm the payment of interim dividend and to Declare the final Dividend for the financial year 2014-15 | | |
| 3 | Re-appointment of Shri Manish Nuwal (DIN: 00164388) who retires by rotation | | |
| 4 | Appointment of M/S Gandhi Rathi & Co., Chartered Accountants, as Auditors and fixing their remuneration. | | |
| SPECIAL BUSINESS | | | |
| 5 | Confirmation of the appointment of Shri Anil Kumar Jain (DIN: 03532932) as Executive Director. | | |
| 6 | Confirmation of the appointment of Smt. Madhu Vij (DIN: 00025006) as a Non-Executive Independent Director from additional Director | | |
| 7 | Appointment of Smt. Madhu Vij (DIN: 00025006) as a Woman Independent Director | | |
| 8 | Approval of the remuneration of Cost Auditor. | | |

Place:

Date:

Signature of the Shareholder

INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Shri TusharPahade of M/s T. S. Pahade& Associates, Practicing Company Secretaries, Unit: Solar Industries India Limited. C/o Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup(W), Mumbai - 400 078, or to his e-mail id tusharpahade@gmail.com, so as to reach by 5:00 p.m. on September 06, 2015. Ballot form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the Ballot Form torn, mutilated in any manner.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of the members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. M/s Link Intime India Private Limited. Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of 20th Annual General Meeting of the Company and are also placed on the website of the Company (i.e. www.solargroup.com).



11, Zade Layout, Bharat Nagar, Nagpur-440033, (M.S.)
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Email: investor.relations@solargroup.com
Website: www.solargroup.com
CIN No.: L74999MH1995PLC085878