



**RIDING
INDIA'S
DEVELOPMENT
WAVE**



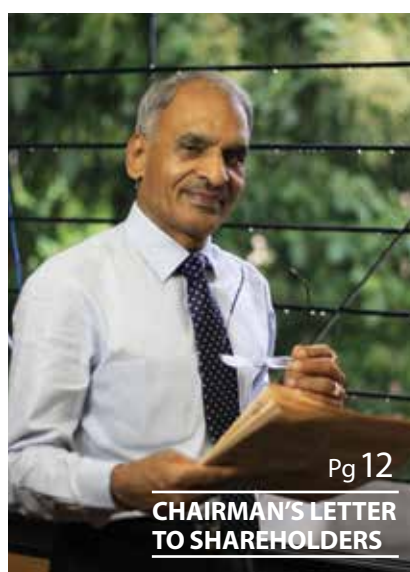
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Forward-Looking Statements

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.

RIDING INDIA'S DEVELOPMENT WAVE

As India has embarked on a journey of veritable progress, we at Solar Industries India Limited, are strategically poised to Ride the Development Wave of advancement. We are moving forward with a clear sense of purpose and vision and are squarely focused on leveraging India's growth energy to create value and build stakeholder wealth.

India is on the threshold of major reforms and is poised to become the world's third-largest economy by 2030. Sustained investment in Mining, Infrastructure and Defence is expected to be one of the crucial factors for producing India's next wave of development.

With a growing population in India, demand for road transport is expected to increase further by 2020. While state highways are projected to link most districts in the country, the new all-weather rural roads are expected to provide access to the furthest outlying villages.

Coal India Limited (CIL), India's largest coal company, has set itself an ambitious target of producing 1 billion tonnes of coal by FY2020, aimed at helping India's power generation needs and lowering its reliance on expensive coal imports.

The opening up of the strategic defence sector for private sector participation, and the high government allocation for defence expenditure, will further help build domestic capabilities and solidify India's growing attractiveness as a defence sourcing hub.

We are preparing for our next wave of growth by strengthening our domestic leadership position, and are also focusing on our overseas operations. Apart from having earned the distinction of being the largest manufacturer and exporter of industrial explosives, we are also looking forward to serve India for its critical defence needs and its cause for defence self-sufficiency. Our strategic foray into defence is aimed at *"Making India self-reliant in ammunition"*.

At Solar Industries India Limited, we are riding this "development wave" of India.

WHAT DEFINES US

We are India's largest manufacturer, supplier and exporter of Industrial Explosives and Initiating Systems. We are the only Indian Company having manufacturing facilities at Zambia, Nigeria and Turkey. We are the first Company in the private sector to set up a plant for the manufacture of HMX required for Defence. We also have facilities for manufacturing of propellants, pyros and igniters required for our missile systems.



Solar Industries India Limited (SIIL) is the largest industrial explosives manufacturer in India and the fastest growing Company in the sector. Over the years, the Company leveraged its competitive advantage - high quality, wide product range, efficient manufacturing, large capacity and integration – to emerge as the largest sectoral exporter from India. The Company is now extending its presence from long-standing explosives segment to the manufacturing of products used in the Defence industry.

Our expertise and infrastructure facilitates us in expanding our growth frontiers by scaling up domestic manufacturing

capacities, strengthening our value-added portfolio and developing products for the defence sector.

We have 25 manufacturing plants across 8 states in India and 3 in overseas locations. Our products are consumed in 42 countries across the globe.

Our Competitive Advantages

Manufacturers of a complete range of industrial explosives (bulk and cartridge), detonators and detonating fuse and cast boosters.

World's largest cartridge manufacturing facility at a single location at Chakdoh, Nagpur.

India's largest manufacturing facility for PETN Detonating Cord and Cast Boosters.

Large presence in the global market with footprints in 42 countries.

India's first domestic supplier in private sector of HMX & HMX Compounded products to the defence sector.

Set up India's large composite propellant plant and facilities to produce various other products, such as Pyros.

Our manufacturing facilities are ISO 9001:2000 and ISO 14001:2004 Certified.

Manufacturing capacities in India

Bulk Explosives	301,323 MTPA
Packaged Explosives	1,25,000 MTPA
Detonators	190 Mn Units
Detonating Cord	75 Mn Metres
PETN	1,650 MTPA
Cast Boosters	1,500 MTPA
Styphnic Acid	10 MTPA
HMX and HMX Compounds	50 MTPA
Composite Propellants	250 MTPA
Munitions	50,000 Units

Industrial license for manufacturing the following defence products

- RDX & RDX Compounded Products (Dentex, Hexolite, Torpex, PBX)
- TNT
- Hexanitrostilbene (HNS)
- Propellants (NG)
- Pyro Technic Devices
- Filling and Assembly of Military Fuzes
- Filling of Munitions
- Flexible Leanier Shape Charges
- New Generation Explosives



Our Vision

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

Our Mission

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.



RIDING ON OUR CONTINUING LEGACY OF SUCCESS





OUR GLOBAL PRESENCE



We are truly a global company. Our products are consumed in 42 countries across the globe, as we continue to leverage the rising opportunities outside India's borders.



Zambia



Nigeria

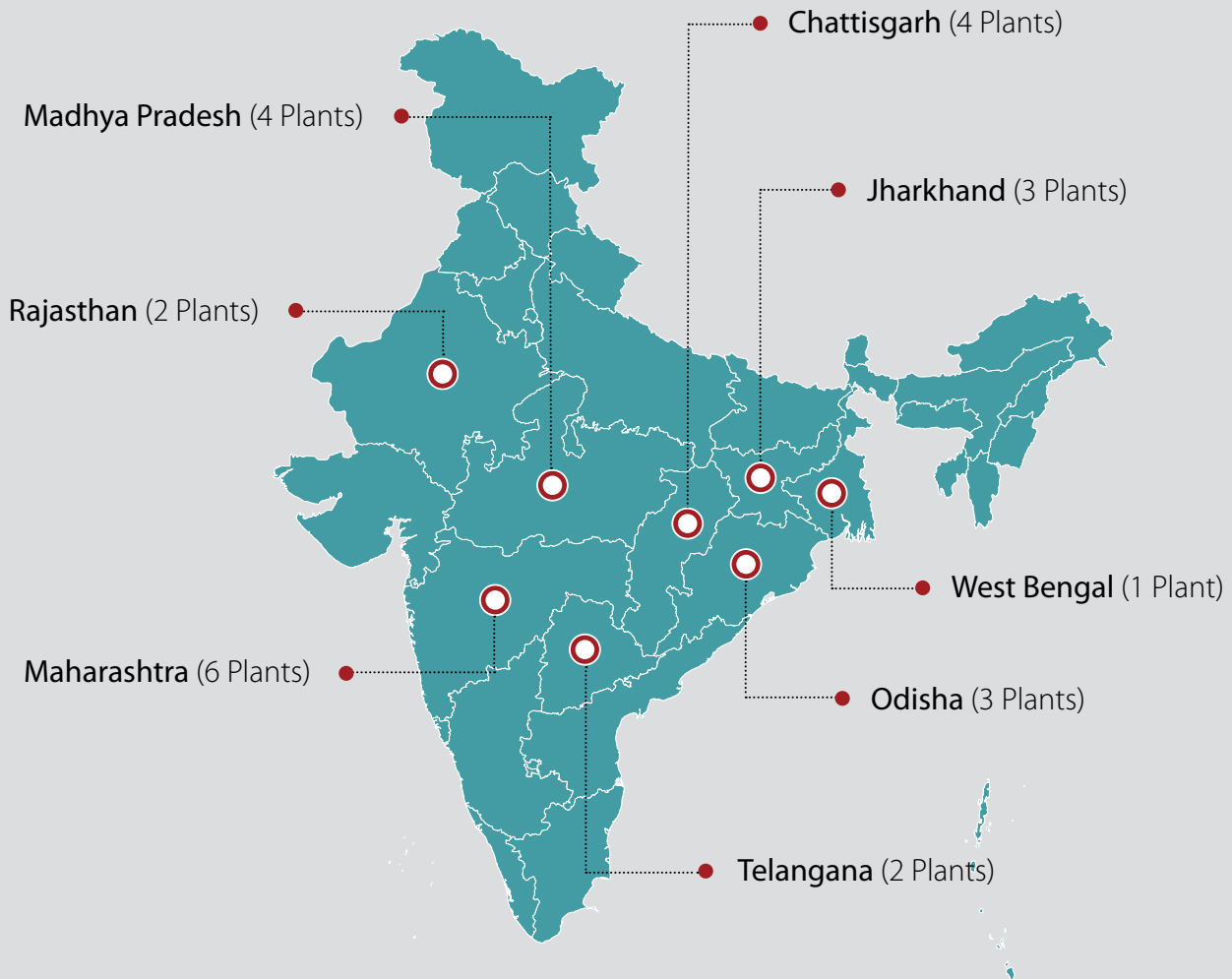


Turkey



South Africa
(upcoming)

OUR DOMESTIC PRESENCE



Our Esteemed Clientele

- Coal India Limited
- The Singareni Collieries Company Limited (SCCL)
- ONGC
- NHPC
- Ordnance Factories
- Bharat Dynamics
- Uranium Corporation of India
- Terminal Ballistics Research Laboratory
- Sasan Power Limited
- Tata Steel
- Ultratech Cement
- ACC
- Lafarge
- Hutti Gold Mines

INHERENT STRENGTHS TO CAPITALISE THE DEVELOPMENT WAVE

We leverage market opportunities and continue to establish ourselves as a major player across the product value chain. Through our bulk and packaged explosive manufacturing facilities in India and in the overseas markets, we are catering to the needs of our mining and infrastructure customers well.



Focus on Safety

Enhanced systems for Health, Safety and Environment



Technology Edge

Advanced technology and R&D set-up recognised by Government of India and Department of Science & Technology (DS&T), Government of India



Quality Emphasis

Plants are certified for ISO 9001:2000 and ISO 14001:2004



Strategic Locations

Plants located in proximity to mines



State-of-the-Art Plants

High-end quality products manufactured with world-class equipment



Skilled and Dedicated Manpower

Ensuring execution excellence



Integrated Portfolio

Backward integration of raw materials to a large extent



Visionary and Proactive Management

Experienced, qualified and far-sighted management team

CHAIRMAN'S LETTER TO SHAREHOLDERS



Our broad operating footprint and a focus on quality services have been our growth drivers in delivering a resilient performance during the year under review.

Dear Shareholders,

My heartiest greetings to you on behalf of Solar Industries India Limited. It is an honour and privilege to share with you the Company's performance highlights during the year and its plan for the future.

Our Performance Scorecard

We delivered yet another excellent year. Our business units delivered solid organic growth and improved their profits. We recorded double-digit growth in sales and EBITDA. The Net Sales during the year stood at ₹ 1,538.16 crore which shows a growth of 13.92% and EBITDA was recorded at ₹ 309.9 crore, translating into a growth of 18.31%. The EBITDA margin was recorded at 20.22%. We have continued our practice to consistently reward our shareholders. In FY2016, our total dividend pay-out was 29.50% as compared to 24.37% of FY2015. Our overseas plants at Zambia, Nigeria and Turkey showed a revenue growth of 8.71% over the last year, despite economic slowdown and currency movement.

Surfing the Development Wave

The Government of India's Union Budget for FY2016-17 shows increased outlays for road, railways, ports and highways, which bodes well for the explosives industry, as we foresee a surge in demand for explosives. We are also enthused by the Defence Budget of ₹ 2.58 lakh crore, of which ₹ 85,000 crore has been budgeted for capital expenditure. This opens up great opportunities for companies such as ours, which have already rolled out products such as High Energy Explosives, Warheads and Composite Propellants, among others.

We are enthused by the Defence Budget of ₹ 2.58 lakh crore, of which ₹ 80,000 crore has been allocated towards capital spend. This opens up great opportunities for companies like ours, which have already rolled out products such as Warheads, High Energy explosives and Composite Propellants, among others.

Moving ahead, there is a clear strategy to enhance our market position and emerge as a leading player in the identified geographies. The global footprint is expanding. I am pleased to inform you that our 4th overseas plant to be set up in South Africa will be commissioned during FY2017.

Our foray into the defence vertical is aimed towards addressing the shortage of ammunition being faced by the Indian armed forces. We take pride in working towards becoming the first domestic supplier to India's defence ministry of the explosive HMX – a key component to missile warheads and rocket systems. We have set up India's first HMX plant in the private sector, a large composite propellant plant and facilities to manufacture other products such as Pyros and War Heads. We are also working on a world-class project to produce Bi-Modular Charge Systems, fully integrated rockets and hand grenades.

Being the Leader

Our product quality, safety system and reliable suppliers created an edge over others. We can leverage the opportunities better as we have established ourselves as a major player across the product value chain. Our bulk and packaged explosive manufacturing facilities in India and overseas are catering to the needs of mining and infrastructure customers well. We enable our customers to increase their productivity and reduce environmental impact from the mining operations. Our broad operating footprint and a focus on quality services have been our key

growth drivers in delivering a resilient performance during the year under review.

Safety – Our Key Priority

During the year, Solar has been free of fatalities at the workplace. This is a result of our strong emphasis on safety. Going ahead, we aim to make this a norm. As a matter of fact, our keen focus on safety, quality and the environment is our strong pillar for success. We follow stringent safety and quality standards at every stage of our manufacturing process – design, development, manufacture, storage, transport or distribution. We make tireless efforts to embed a culture of safety in our employees.

Sound Corporate Governance

For Solar, good governance has always been the hallmark of the Group. At the core of our corporate governance practice is an active, capable and diligent Board which sets the tone for good corporate governance. Our strict adherence to regulatory and supervisory norms is an example of how our culture, policies and relationships reflect corporate governance.

Corporate Social Responsibility

Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. We also lend our support in promoting safety and awareness, training and employment, rural infrastructure development and cleanliness. The initiative taken in this regard includes installation of medical equipment in recognised hospitals. In pursuit of Rural Infrastructure

Development the Company has also embarked on a rainwater harvesting project.

Outlook

We remained focused on our short and long-term goals to deliver sustained improvement in our business performance, encompassing a big share in the impending growth. It is the expertise and commitment of our employees that contributes to Solar's ongoing success. This performance has been set against both a difficult market environment and a significant re-orientation of the business which has taken place over the past year to provide greater focus on our customers and operational excellence.

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 are riding India's development wave of opportunity and optimism and generating a self-accelerating process of economic development for the ultimate benefit of all our stakeholders.

We look ahead to marching forward together as we embark on the key journey of creating new synergies and carving new strategies.

Very Sincerely,

Satyanarayan Nuwal
Chairman

OUR ESTEEMED BOARD OF DIRECTORS



Shri Satyanarayan Nandlal Nuwal

Chairman and Executive Director

The progressive journey of Shri Satyanarayan Nandlal Nuwal from a trader to a 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

Vice Chairman & Executive Director

Shri Kailashchandra Nandlal Nuwal 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

Managing Director & CEO

A qualified Chartered Accountant, Shri Manish Satyanarayan Nuwal joined when the Company began its first manufacturing foray 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, Commercial & Technical matters. He is credited with playing a catalytic role in achieving recognition for the Company. His value driven approach underlines his strong commitment to fair and ethical business practices, of which success is a natural outcome.



Shri Roomie Dara Vakil

Executive Director

A Post Graduate in Mining (Geology) from the Osmania University, Shri Roomie Dara Vakil is associated with the Solar Group for the past 14 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

Shri Anil Kumar Jain 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.

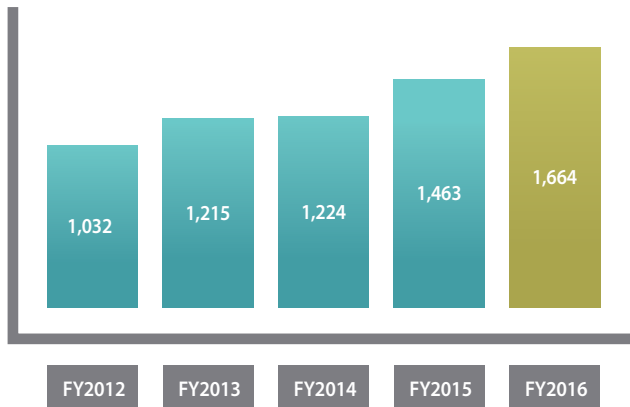
OUR PERFORMANCE SCORECARD

Solar Industries India Limited has been growing at a CAGR of 23.06% over the past five years.

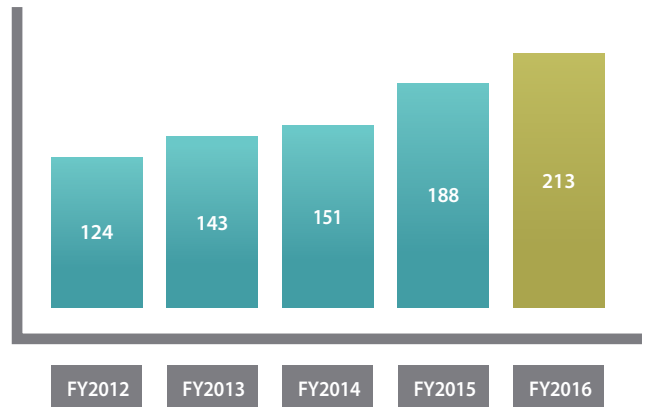
Financial Highlights (₹ in Crore)

Particulars	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Growth Ratios (%)					
Net Sales Growth	42.41	15.72	0.53	19.53	13.92
EBIDTA Growth	31.56	1.45	8.42	22.32	18.31
Net Profit Growth	33.87	14.91	1.85	24.46	12.71
Margin Ratios (%)					
EBIDTA Margin	20.12	17.64	19.02	19.47	20.22
Net Profit Margin	10.46	10.37	10.52	10.96	10.84
Other Key Ratios					
Dividend Payout Ratio (%)	19.89	19.97	20.58	24.44	29.50
Book Value Per Share (₹)	233.55	316.45	365.55	428.71	479.37
Return on Capital Employed	29.26	22.23	18.34	21.66	23.68
Return on Net Worth (%)	25.01	20.31	17.90	19.00	19.15
Enterprise Value (₹ in Crore)	1,667.07	2,117.36	1,904.34	6,431.63	6,593.21

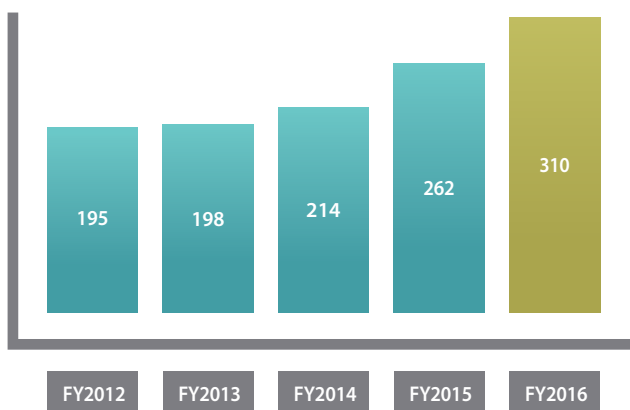
Gross Sales (₹ in Crore)



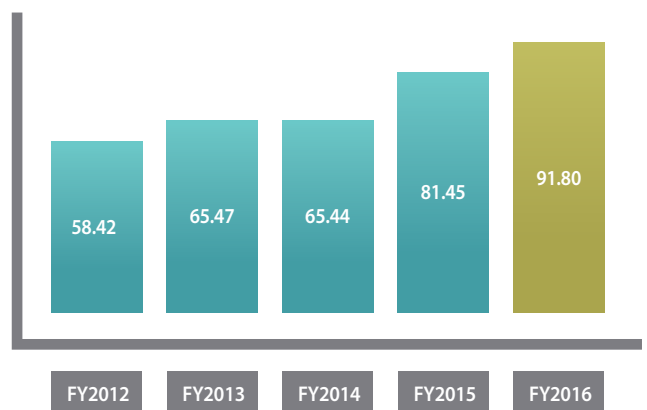
Cash Profit (₹ in Crore)



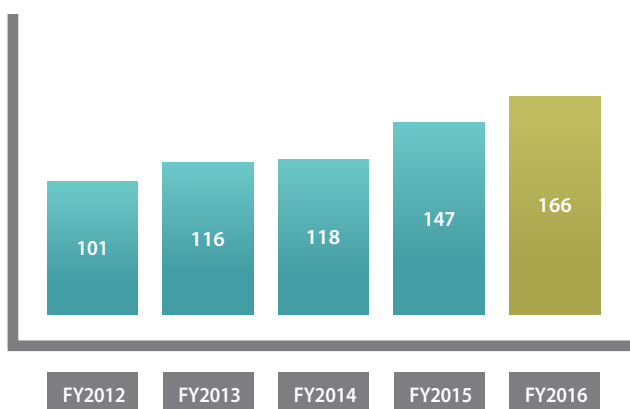
EBITDA (₹ in Crore)



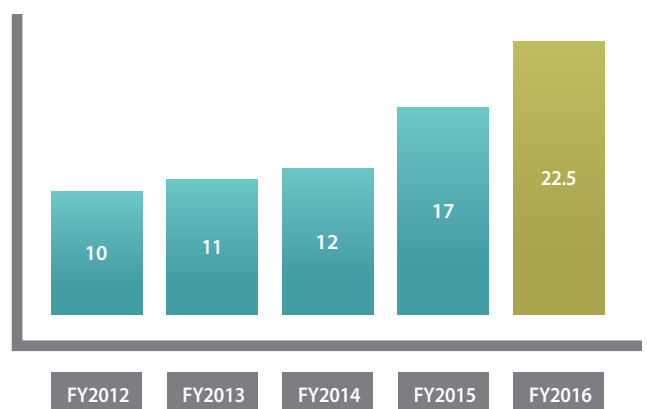
Earnings Per Share (₹)



Profit After Tax (₹ in Crore)



Dividend Per Share (₹)



OUR MULTIPLE VALUE STREAMS

We are the market leaders with a 22% share in the domestic market and a 55% share in exports of industrial explosives and initiating systems.

We successfully diversified our revenue base by catering to newer customers in the domestic market, enhancing exports and venturing into overseas geographies.

We are expanding capacity at strategic locations and diversifying to meet the growing resource demand. We not only scaled up our capacity since inception, but also developed a well-diversified portfolio of products. Today, we have a wide product range and are the market leaders in each of our product categories.

We enjoy a strategic advantage in being in proximity to the mines. All our bulk explosive units are located at 50-60 kms radius from major mining regions.

A demand-supply gap, huge potential in terms of increased defence outlay and economies of scale prompted us to foray into the defence space.

We are building on our core strengths to accelerate business growth and seek new vistas of opportunities to deliver on our stakeholder commitments.



CORPORATE INFORMATION

Board of Directors

Shri Satyanarayan Nuwal

Chairman and Executive Director

Shri Kailashchandra Nuwal

Vice Chairman and Executive Director

Shri Manish Nuwal

Managing Director and CEO

Shri Roomie Dara Vakil

Executive Director

Shri Anil Kumar Jain

Executive Director

Shri Anant Sagar Awasthi

Non-Executive Independent Director

Shri Dilip Patel

Non-Executive Independent Director

Shri Amrendra Verma

Non-Executive Independent Director

Smt. Madhu Vij

Non-Executive Independent Director

Shri Ajai Nigam

Non-Executive Independent Director

Chief Financial Officer

Shri Nilesh Panpaliya

Company Secretary & Compliance Officer

Smt. Khushboo Pasari

Registered Office

11, Zade Layout, Bharat Nagar

Nagpur-440003

Ph: +91-712-2561000

E-mail: solar@solargroup.com

Corporate Identification Number

L74999MH1995PLC085878

Statutory Auditors

M/s Gandhi Rathi & Co.

Chartered Accountants,

Address: Parekh Centre,

3rd Floor, Opposite Daga Hospital,

Gandhi Baug, Nagpur,

Maharashtra-440002

Bankers

Axis Bank

Bank of India

DBS Bank

HDFC Bank

ICICI Bank

IndusInd Bank

State Bank of India

Yes Bank

Registrar And Transfer Agents

M/s Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (W), Mumbai-400078

Ph: 022-25963838, 25946970

E-mail: rnt.helpdesk@linkintime.co.in

Audit Committee

Shri Dilip Patel - Chairman

Shri Amrendra Verma - Member

Shri Manish Nuwal - Member

Smt. Madhu Vij - Member

Stakeholders Relationship Committee

Shri Anant Sagar Awasthi - Chairman

Shri Kailashchandra Nuwal - Member

Shri Roomie Dara Vakil - Member

Nomination And Remuneration Committee

Shri Anant Sagar Awasthi - Chairman

Shri Dilip Patel - Member

Shri Ajai Nigam - Member

Corporate Social Responsibility Committee

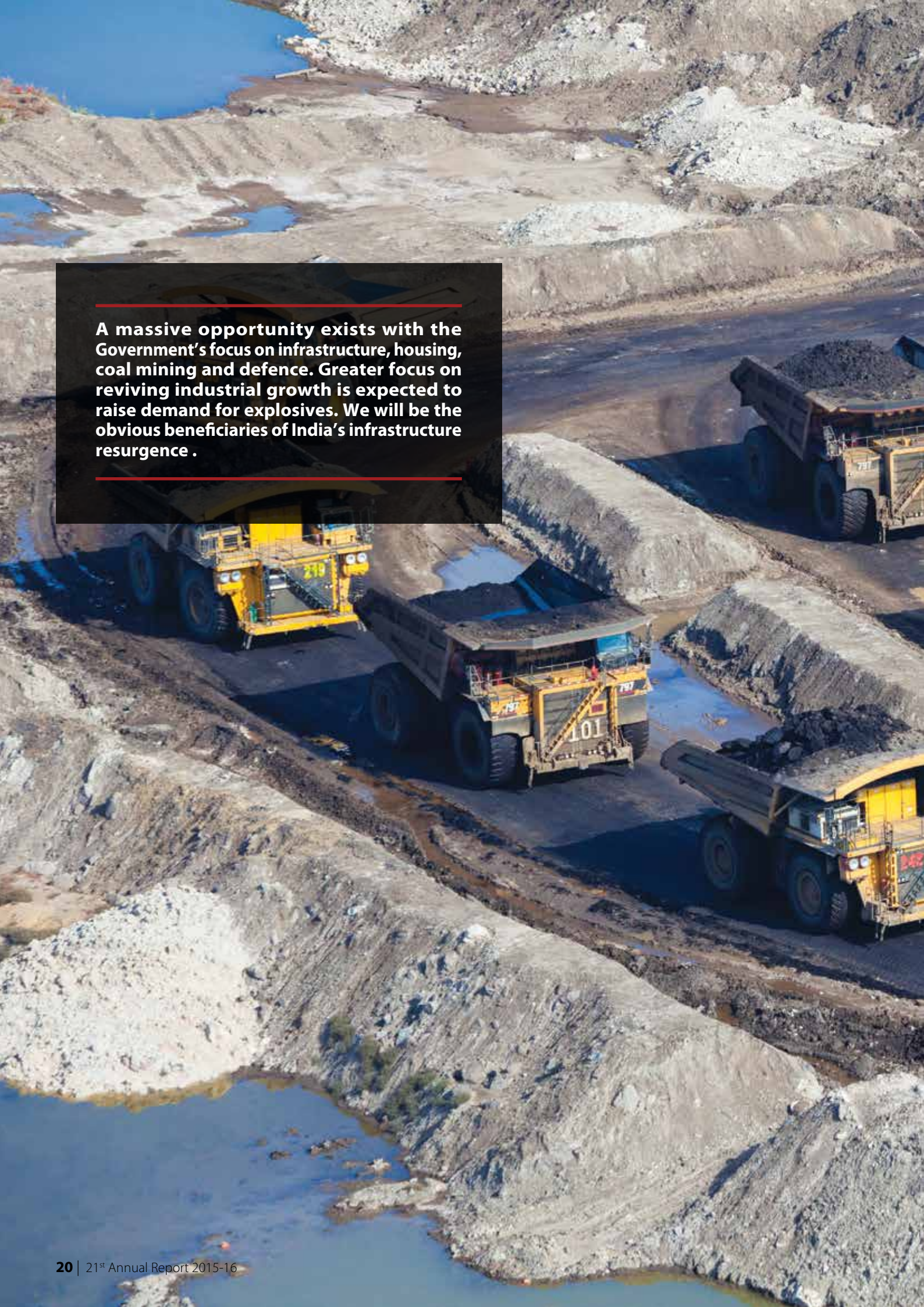
Shri Satyanarayan Nuwal - Chairman

Shri Manish Nuwal - Member

Shri Ajai Nigam - Member

Grievance Redressal Division

investor.relations@solargroup.com



A massive opportunity exists with the Government's focus on infrastructure, housing, coal mining and defence. Greater focus on reviving industrial growth is expected to raise demand for explosives. We will be the obvious beneficiaries of India's infrastructure resurgence .



Industrial Explosives **PAVING THE ROAD TO PROGRESS**

The explosives industry is an important and vital constituent of the India Inc. growth story. The industry acts as a catalyst in the processes of mining and infrastructure development activities such as Tunneling, Construction of Housing, Dams, Canals, Roads and Well Sinking, among others.

The explosives market consists of explosives and initiating systems. Explosives are broadly classified into packaged explosives and bulk explosives. Initiating Systems comprises of detonators, detonating fuse and cast boosters.

Classification of Explosives Market

Bulk Explosives: These are essentially non-explosive systems which are used for large-scale blasting operations where large quantities need to be charged every day. It is mainly used in large open cast mines of Coal, Iron Ore, Limestone, and Zinc, among others. These are transported to mining sites through bulk delivery vehicles and pumped down the bore holes, as per the mining strata wherein it becomes an explosive.

Packaged Explosives: These cartridge shaped explosives vary in size and diameter, depending on the blasting requirement. These are mostly used in construction sites for building of roads and houses, quarrying, tunneling, small mines, underground work and for seismic exploration.

Initiating Systems: Initiating systems are detonators, detonating cords and boosters required to initiate either Cartridge explosives or Bulk explosives. These can be in various forms such as Instantaneous Detonators, Delay Detonators, Non-Electric Detonators, Electronic Detonators and also Detonating Cords.

We, at Solar Industries India Limited, have achieved the distinction of being the largest explosives and accessories manufacturing company in India. We are well placed to witness a volume CAGR in packaged and bulk explosives segment. We have established ourselves as a significant player across the value chain.



We have achieved a peer position as the largest exporter of industrial explosives and accessories in the industry, being synonymous with quality and innovation. We are gaining superior scale in exploring the rising market opportunities due to our broad and extensive product portfolio, overseas manufacturing operations and exports.



Overseas Operations **GAINING IMPETUS IN OUR STRIDE**

Solar is truly a global company with consumers across more than 42 countries. While India is our largest and most important market, many opportunities for growth also exist outside India's borders – in Africa, Europe and South America.

Our two manufacturing units in Africa are strategically located, one each in Nigeria and Zambia. Our third overseas plant is located at Turkey. All the three manufacturing facilities are operating smoothly. The Company has now embarked on an exercise to enhance its international footprint through a plant in South Africa. This plant is scheduled to commence commercial production during FY2017.

Solar's capacity to service these high growth markets represents a unique opportunity for the Company.



India ranks among the top 10 countries in terms of its military expenditure and import of defence equipment. The country has been facing acute shortage of strategic ammunitions for many decades. We aim to supplement India's indigenous defence manufacturing and to support the nation's efforts in building ammunition war reserves under the "Make in India" initiative.



Defence

CAPITALISING ON INDIA'S DESIRE TO BECOME SELF- RELIANT IN AMMUNITION

Our strategic entry into the defence sector will strengthen our business model and will be an important trigger for our next wave of growth. Our optimism in the defence space stems from the Government's "Make in India" campaign, which has given a fillip to the defence sector. Rising potential in terms of increased defence outlay and a set of progressive policies prompted us to foray into the defence space. With our wide experience in handling explosive substances and energetic materials, we have created notable infrastructure and facilities to manufacture critical high energy materials, propellants and pyro devices required by the defence and para-military forces.

We have set up India's first state-of-the-art technology based plant to manufacture high energy materials such as HMX and HMX-based compositions. This will be an import substitute to meet regular and surged requirements of Ordnance Factories, Defence PSUs and DRDO.

With creation of facilities for filling of Rockets, War Heads, Air Bombs, Mines, Torpedoes, among others, we are in a position to undertake production of large variety of Ammunitions. We have also signed an MOU with the Government of Maharashtra to install world-class facilities to produce Bi-Modular Charge Systems (BMCS) – a vital artillery equipment that propels shells to distances of over 40 kms, fully integrated rockets and new generation of hand grenades. We will leverage our strengths of technical manpower and knowledge base to establish the facilities, while the know-how will be obtained from DRDO or foreign tie-ups.

Our foray into the defence business, with a consistent focus on industrial explosives, provides us future growth visibility. We foresee revenues from the segment to start kicking in FY2017 and provide an upstart in growth. As our defence vertical stabilises and optimally utilises capacity, we see our profitability, margins and return ratios improving further.



Safety has always been our top priority. We are proud to share that FY2016 was an accident free year. We are investing heavily in safety across our plants. We meet all the stringent quality, safety and reliability standards and practices to strengthen our benchmark as per the globally established norms. Increased training hours for each employee has minimised the chances of any unforeseen incident.



Safety and Quality **COMMITTED TO THE SAFETY QUOTIENT**

With over two decades of experience in the explosives industry, we are cognisant of how important safety is at our manufacturing plants and hope to maintain the trend. We have reported Nil Frequency Rate, Severity Rate and Incident Rate in FY2016. Our organised contingency safety precautions and intensive training programmes have the capability to address any unforeseen accidents that may occur during the manufacturing process.

Since our employees deal with explosives, we follow the highest standards of safety. We, therefore, conduct training as a continuous, on-going practice to improve the safety consciousness of our employees. We are also providing continuous training to the entire workforce and have built various check points in the system to monitor safety processes. We also conduct safety training workshops for our people through internal and external experts.

We are the members of SAFEX, an international apex body that promotes global best practices on safety standards in the explosives industry. Our long standing association with SAFEX is only aimed at aligning ourselves with the best safety practices in the world. Besides, our processes are ISO 9001:2000 and ISO 14001:2004 certified. In addition, our products exported to Europe have received CE certification.

15.686 Million Hours

Total Accident Free Man Hours worked since last Lost Time Accident

530

Number of Internal Audits Conducted for Plants/Facilities

399

Number of Learning Incidents Captured for Preventing Recurrence

	Supervisor/Executive Level	Operator Level
Trainings Conducted	178	1,649
Personnel Trained	1,746	24,703
Total Manhours of Training	4,034	27,652



CONSERVATION



HEALTHCARE

We are a company with heart and soul. We care about feeding and helping those in need, nurturing our planet and living our founder's values. At Solar Industries India Limited, we are committed to make a difference by working to create economic opportunity, enhance the sustainability of our operations and the systems we operate in and strengthen local communities. We see CSR as a creative opportunity to fundamentally strengthen our business, while contributing to the society and creating social, environmental and economic impact.



ENVIRONMENT

Corporate Social Responsibility

EMPOWERING LIVES. ENABLING LIVELIHOODS.

We live by the thinking of our Founder & Chairman Shri Satyanarayan Nuwal "Service to mankind is service to God". Our objective continues to be to carry out our business in a responsible manner and partner in the development of the under-privileged to bring a perceptible change in the society and communities we are associated with.

We also understand that to bring forth social development and uplift the society, it is essential to contribute time, knowledge and money. It is this philosophy that is strongly advocated by our top management to cement our deep commitment towards the less fortunate communities that reside in the vicinity of our plants and other locations. Keeping in line with our philosophy, we undertake several initiatives and are committed to remain dedicated towards investing in a "Better Tomorrow for People".

Our Three Pillars of Being a Responsible Corporate Citizen:

a. Healthcare:

Our aim is to ensure communities have easy access to primary healthcare and are aware of the basic hygiene. We remain committed to our main objective of bringing forth quality living and a healthy lifestyle to the communities around us. Our focus is to provide affordable curative and preventive healthcare services to the community through our healthcare initiatives, rendering quality health to people. As part of this initiative, we contributed towards the installation of an MRI machine at the Central Institute of Medical Science Hospital at Nagpur. We also contributed in the upgrading of general wards at the Swami Vivekanand Hospital, Nagpur. Under the Disease Prevention and Care Projects, an amount of ₹ 2 crore has been allocated for spending on medical equipment at various other hospitals. A Blood Donation camp was also organised through the Government Medical College.

b. Conservation:

Our environmental management initiative helps preserve the long-term health of people and ecosystems and build strong relationships with local communities. We have taken several initiatives within the broad framework of Environment and Climate Change aimed to conserve natural resources and energy, minimise waste generation, enhance recovery and recycling of material, and develop eco-friendly processes and systems.

We embarked on a Rainwater Harvesting project at Village Shiva (Nagpur District) under the Rural Infrastructure Development Cleanliness. This is aimed to enhance water levels in the nearby areas.

We strongly advocate the cause of conservation of natural resources and promotion of environment sustainability. We distributed improved chulhas and solar cookers to the households at Swanga village, Nagpur. In addition to this, we also contributed to the "VANRAI FOUNDATION", which is engaged in enabling environmental stability and ecological balance.

c. Environment:

Solar 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

1. The Company undertook a number of initiatives for environment preservation during the year.
2. Distribution of 450 improved chulhas and 50 Solar Cookers in the surrounding villages to reduce their dependency on wood fuel, 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%.
3. Plantation of trees across the manufacturing areas.
4. Creation of bunds for rainwater harvesting.
5. Plantation on hillsides to reduce natural erosion.

MANAGEMENT DISCUSSION & ANALYSIS



A. ECONOMIC AND INDUSTRY OVERVIEW

Industrial Explosives

The explosives market consists of explosives and initiating systems. Explosives are broadly classified into ANFO, packaged (cartridge) explosives and bulk explosives. Initiating systems comprises of detonators, detonating fuse and cast boosters. Explosives are a vital part of any construction project and are indispensable in the mining of any mineral – be it coal, limestone, iron ore, copper and bauxite, among others. The mining industry is the largest consumer of industrial explosives, with coal mining demand dominating over others.

Global Explosives Industry

More than 75% of the explosives produced are consumed in mining operations alone. In addition, growth in the market is also linked to the rate of housing and infrastructure development. Civil works such as roads, tunnel construction and other development projects require the adoption of explosives too.

The global market for explosives is projected to touch 21.8 million metric tons by 2020, driven by rising activities in mining, construction and manufacturing in the developing economies. Even though the explosives market has entered a phase of stabilisation in select countries, it is picking up momentum in other economies with the availability of large

mineral deposits for excavation. Regions such as Africa, Asia, Latin America and Russia are expected to drive growth in the explosives market with a rise in mining and construction activities.

The Asia-Pacific region represents the largest and the fastest growing market for explosives worldwide. This is primarily owing to the presence of a large number of coal mines in Australia, China and India. The significance of industrial explosives is seen growing in the value chain in the coming years, as the industry aspires to ensure efficient production even from lower grade ores.

Countries of Interest

Nigeria

The Nigerian economy has been adversely affected by external shocks, particularly a fall in the global prices of crude oil. The country faces a challenging economic environment, exchange rate volatility and depressed global oil prices impacting public sector spending. Growth slowed down sharply from 6.2% in 2014 to an estimated 3.0% in 2015. During the same period, inflation in the country increased from 7.8% to an estimated 9.0%. The local Government continues to face economic challenges and is battling recession due to its strict monetary policy, which is slowing down economic growth and development.

The Government has undertaken some key reforms which include rationalisation of the public sector in order to cut the

cost of governance; enforcement of single treasury account to block financial leakages; renewed efforts at enforcement of tax compliance; preparation for zero-budgeting starting in 2016; and increasing the ratio of capital to recurrent expenditure to 30:70. Investing in power, infrastructure and transport will bring forth several growth opportunities within the country.

Zambia

Zambia's recent economic performance suffered due to a combination of domestic and international pressures. The country can expect a continued contraction in its economy before there are any signs of recovery due to various factors such as the continued power crisis, high interest rates, rising inflation and low rainfall patterns. The local currency Kwacha lost about 50% of its value in 2015, due to the low supply of foreign exchange (as copper prices and output reduced) and the appreciating US Dollar.

Zambian copper mines have posted bumper profits in the past, spurred by a steady electricity supply and surging Chinese demand. Now both those growth engines are sputtering, plunging Zambia's once-golden copper sector into its most challenging business environment for a decade. The government introduced a controversial mine tax regime, which more than tripled mineral royalties. Additionally, low copper prices are putting more pressure on the already stretched margins.

On a positive note, the economy is set to receive aid from the International Monetary Fund (IMF) and measures are likely to be imposed by lending institutions to streamline government expenditures, including ending of subsidies on fuel and raising power tariffs. The measures will rein in the Government's budget deficit, which is set to reach 8.1% of the US\$ 29 billion economy this year.

Turkey

Despite the strife in the neighbouring countries, domestic political turmoil and an uncertain global recovery, Turkey's economy remains resolute. Although the economy faced a plummeting currency, weak demand in the neighbouring countries and a breakdown of the Kurdish peace process, Turkey's GDP expanded by 3.8% during the second quarter of 2016 on the back of strong demand, highlighting the resilience and enduring market potential of this emerging market economy.

As an emerging market, the Government faces a continual challenge to meet the demands of a rapidly growing economy, and gives special priority to major infrastructure projects, particularly in the transport and energy sectors. Turkey ranks second after Brazil in making the highest commitment for total infrastructure investments among the 139 emerging countries.

Turkey's large and diverse mineral resource base, which includes coal, gold, iron and lead, mercury, silver, tin, other precious metals and coal, coupled with improvements in the Government's mining policy, provides opportunity for substantial growth in the Turkish mining industry over the coming years. As per industry forecast reports, it is expected that the mining sector will grow from an estimated US\$ 14.6 billion in 2013 to US\$ 18.7 billion in 2018.

South Africa

South Africa was hit by various economic shocks in 2015. China's slowdown and rebalancing, weak commodity prices and U.S. monetary policy normalisation weighed on its growth. On the domestic front, leadership changes at the National Treasury in December 2015 and other political developments shook confidence, heightened governance concerns and increased policy uncertainty. The country's broader economic performance can also be linked to troubles in the mining sector. According to the Government agency, the hardest hit commodity was manganese ore, which declined 24.3%, followed by platinum group metals which fell 23.7%. Iron ore output slid 21.4%, coal production dropped by 15.8% and gold output slumped by 7.4%.

However, the Government is focused on reigniting economic growth, preserving existing jobs and creating more sustainable jobs. Through its program of structural reforms and fiscal consolidation, the Government will remain within its expenditure ceiling to ensure that the economy emerges stronger when the global economy recovers.

Indian Explosives Industry

The Indian explosives market is amongst the top ten in the world with a 5% market share. The explosives industry in India is estimated to grow by 10% to 12% per annum over the next couple of years. Demand for explosives stems largely from mining (primarily coal) and infrastructure. The mining sector accounts for 80% of the explosives demand, and 20% of the demand for explosives in India is accounted for by the infrastructure sector. Coal mining accounts for about 70% of the Indian market, and 60% of the market is accounted for by Coal India Limited (CIL).

The explosives industry in India is robust with an exportable surplus. The vigorous volume growth for explosives can be mainly attributed to increasing demand in the mining and infrastructure space. Rising construction activities and significant growth of the mining industry is expected to further boost the demand for various materials such as coal, electricity and cement. This in turn will lead to an increase in the consumption of explosives.

Key Growth Drivers

India:

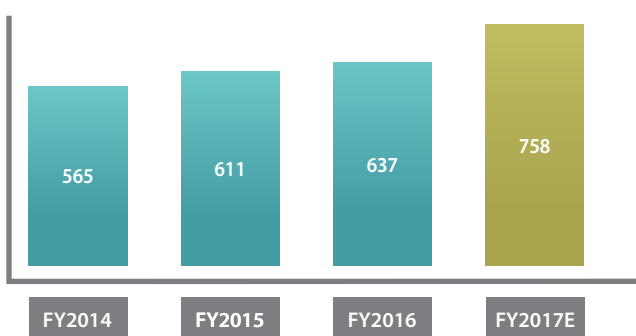
Coal and Mining

India is the third-largest producer of coal, after China and United States. Higher production of coal implies higher requirement of explosives. Coal production has witnessed a significant rise from FY2010 to FY2016 and the domestic output is now at 637 million tonnes. India has the 5th largest coal estimated reserves in the world – at 300 billion tonnes. Economic and infrastructural growth is leading to a rise in coal demand. The country has witnessed a two-fold increase in its coal consumption in the last ten years. To meet the rising demand and reduce coal imports, India has developed a roadmap for achieving 1.5 billion tonnes of coal by FY2020.

Coal India Limited (CIL) remains the largest coal producer and consumer of explosives in India. The PSU company has set itself a target of doubling its output to 1 billion tones in four years (by FY2020), helping India’s power generation needs and also lowering its reliance on expensive coal imports. CIL’s explosive procurement mechanism is based on reverse auction tender (held every 2 years), where the domestic explosive manufacturers bid to supply at competitive prices, thus boosting growth opportunity for the explosives industry.

The explosives are used for overburden removal and as mines are getting deeper and deeper, more overburden will need to be removed. This in turn will lead to increase in consumption and demand of explosives.

Production of Coal in India (in Million Tonnes)

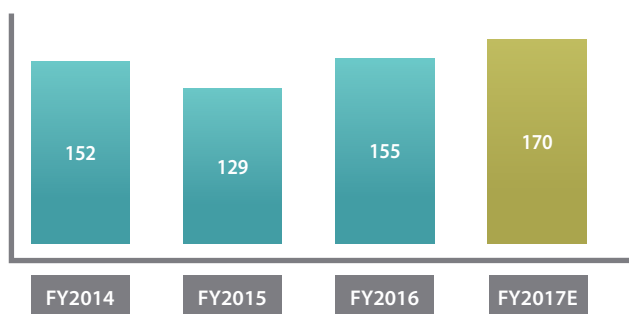


Steel and Iron Ore

Infrastructure sector is the largest consumer of steel in India. The country is the third-largest steel producer in the world. In 2015, India produced 91.46 MT of finished steel. By 2020, India’s steel production capacity is expected to touch 200 MT. With strong demand from the infrastructure industry and driven by the rising infrastructure development and growing demand for automotives, the demand for steel is projected to rise higher.

Coal and iron ore is also utilised in the steel industry. Iron ore is an important raw material for making steel. India’s iron ore production in FY2015 stood at 129 million tonnes, and is slated to increase further to about 170 million tonnes by FY2017. With growth of the iron ore mining industry, the demand for explosives will also grow. Potential increase in production of iron ore accelerates the demand for industrial explosives.

Production of Iron Ore in India (in Million Tonnes)

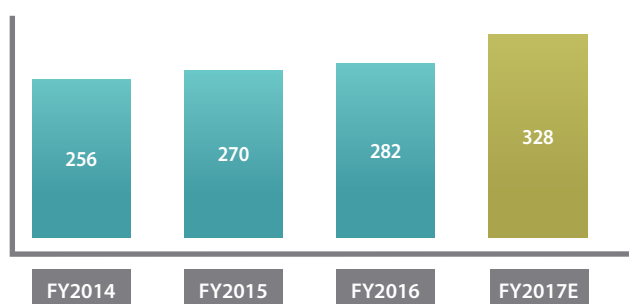


Cement and Limestone

Another sector that is likely to be the beneficiary of a pick-up in investment activity in the construction space is the cement sector. Capacity utilisation of the cement industry bottomed out at 69% in FY2014. Low capacity addition and demand recovery driven by increased investments in the infrastructure sector are expected to push utilisation levels to 78% in FY2017E. Total cement production in India is expected to grow from 255.6 million tonnes in FY2014 to 328.4 million tonnes in FY2017E, implying a CAGR of 8.7%. The explosives find their application in the mining of limestone, which is a key raw material in the manufacturing of cement.

Limestone is one of the key materials used in cement manufacturing. India is the second largest market in the world with an aggregate cement capacity of 363 million tonnes. Rising investment in the construction sector is expected to result in robust demand for cement. The projected total cement capacity is expected to rise to over 440 million tonnes by FY2017.

Production of Cement in India (in Million Tonne)



Infrastructure, Roads and Housing

India has been significantly increasing its planned outlay in the infrastructure sector over the last few five-year plans. The sector is at the stage of a full investment cycle revival. The construction and infrastructure sector offers massive investment opportunities to the tune of ₹ 28.2 trillion in the coming years – of which power, roads and railways account for 81%. An infrastructure budget of ₹ 2.21 lakh crore has been announced in the Union Budget 2016-17. This implies a huge latent demand for explosives used in activities – for making Tunnels, Dams, Ports, Rail and Road routes.

The Government has set an ambitious target of constructing 41 Kms of national highways every day in 2016-17, up from more than 16 Kms per day of highways built in 2015-16. The Government plans to award 25,000 Kms of National Highways in FY2017, compared with 10,000 Kms awarded in FY2016. Also, the Government met with bankers and road contractors to move forward in the stalled highway projects worth ₹ 40,000 crore.

With rising per capita income and urbanisation, the demand for real estate continues to be robust. This will act as a significant boost for direct and indirect use of industrial explosives. Under the ambitious "Housing for All" by 2022 scheme, the Government of India will be constructing 2.95 crore houses in the rural areas. It plans to spend nearly ₹ 81,975 crore over construction of one crore houses in the first three years of the Pradhan Mantri Awaas Yojana-Gramin, under which it will provide financial assistance of ₹ 1.20 lakh to those living in plain areas and ₹ 1.30 lakh to those in "hilly and difficult" areas. With the Government's stated intention to develop 100 Smart Cities and its agenda to ensure "Housing for All" by 2022, the explosives sector can expect primary demand from stone quarrying and limestone mines – a backward link to the cement industries; and iron ore mines – a backward link to the steel industry.

Defence

India's Union Budget 2016-17 announced an increase in its defence spending to ₹ 2.58 trillion for FY2016-17, as compared to ₹ 2.46 trillion allocated for FY2015-16. Of the ₹ 2.58 trillion budgeted for FY2016-17, a sum of ₹ 80,000 crore is aimed towards capital spend, amounting to 2.26% of India's GDP. The defence spending has also been increased to narrow the military gap with China, which has been building up its fleet of ships and submarines. The Government's "Make in India" programme and its decision to allow private companies into the highly regulated defence sector has opened doors 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.

India is the world's largest arms importer, according to a report released by the Stockholm International Peace Research Institute (SIPRI). To reduce significant outflows of valuable foreign currency and promote the industry's domestic growth, the Indian Government put forth a "Defence Procurement Policy" (DPP). As per the draft DPP 2016, the focus is on institutionalising, streamlining, and simplifying defence procurement procedure to give a boost to 'Make in India' initiative of the Government of India, by promoting indigenous design, development and manufacturing of defence equipment, platforms, systems and sub-systems. 'Make' procedure has also been refined to ensure increased participation of the Indian industry. Defence Procurement Manual, 2009 which is under renewal to ensure quick decision-making processes and address the problem of certain bottlenecks in the exercise of delegated powers.

B. OPPORTUNITIES AND THREATS

Opportunities:

1. The Indian economy provides immense opportunity to the Company to market its differentiated products in various sectors such as Mining, Infrastructure, Housing, Construction and Roads.
2. The Government's steadfast focus on infrastructural development is propelling India's overall development, with a strategic focus on initiating the right policies.
3. The Government's thrust on indigenous defence manufacturing under the "Make in India" initiative and the proposed amendments in the Defence Procurement Policy 2016 demonstrate rising opportunity for the Company's growth.
4. The explosives market in India is projected to grow substantially over the next few years.
5. Shrinking global economies provide opportunity for new competitive player to enter into the market.

Threats:

1. Any change in the Government's focus on India's overall infrastructural development can hamper growth in the ancillary sectors, such as the explosives industry.
2. Fall in commodity prices in global market will impact the demand of explosives.

C. PRODUCT-WISE PERFORMANCE

We, at Solar Industries India Limited (SIIL), are the renowned manufacturers and exporters of Civilian Explosives and Initiating Systems. We have also forayed into manufacturing



of explosives and ammunition for military applications. We are also the first domestic supplier to India's defence ministry of the explosive HMX, a key component to missile warheads and rocket systems.

1. Commercial/Civil Explosives:

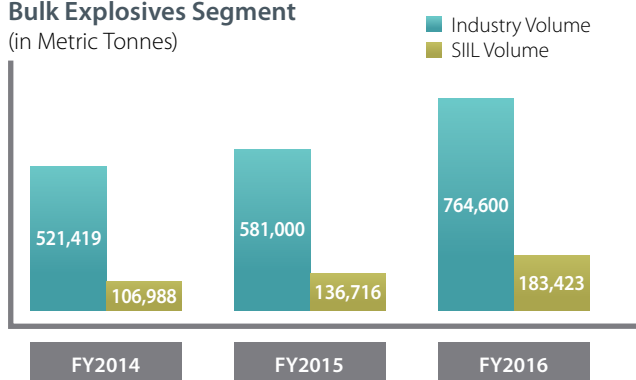
Our civil and commercial explosives segment comprises of Bulk Explosives, Cartridge and Detonators & Initiating Systems.

Bulk Explosives

We witnessed a rapid and strategic build-up in capacity, starting from a modest capacity of 6,000 MT at a single location of Waidhan (Madhya Pradesh) in 2000, to the current capacity of 301,323 MT spread across 22 locations in India. Our volumes in the bulk explosives segment have increased from 136,716 MT in FY2015 to 183,423 MT in FY2016. Bulk explosives are manufactured near mining sites.

Bulk Explosives Segment

(in Metric Tonnes)



We have 3 more plants in the overseas markets of Zambia, Nigeria and Turkey, catering to the European, African and some other countries in the vicinity. We have also set up a manufacturing facility in South Africa which will commence operations by the end of 2016.

Packaged Explosives

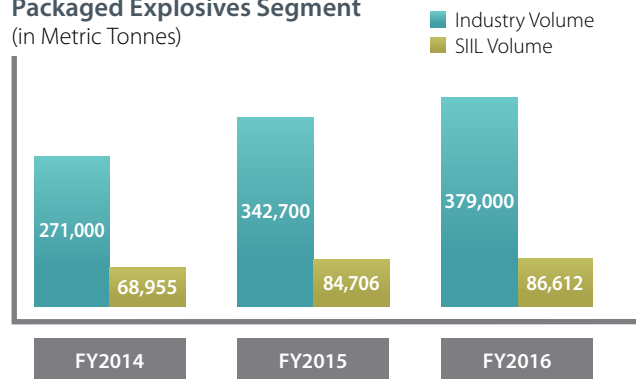


Solar offers the widest range of high quality Packaged Explosives to the mining and construction sectors.

Our volumes in the cartridge segment have grown from 84,706 MT in FY2015 to 86,612 MT in FY2016 at a CAGR of 3.64%. An estimated investment of ₹ 19 trillion in the construction sector in FY2014-19E is expected to be a potent demand booster for stone aggregates, steel, cement and power production. An increase in the production of iron ore and other minerals will augur well for accelerated

cartridge demand. Riding on these demand boosters, we expect our cartridge volumes to grow at a CAGR of 12.5% to 97,438 MT. Our Cartridge explosives manufacturing plant at Nagpur with a capacity of 125,000 MT is the world's largest single location explosive plant.

Packaged Explosives Segment (in Metric Tonnes)



Initiating Systems

Solar has an extensive range of Initiating Systems which includes Detonators, Detonating Cords and Cast Boosters. Our detonators vertical has grown by 36.48% during the

year, from 155.60 million units in FY2015 to 212.36 million units in FY2016. We have 190 million units (India) of licensed capacity of detonators and 75 million metres licensed capacity for detonating fuse and 1,500 MT Cast Boosters. We are well poised to cater to the increasing demand from the Indian as well as the overseas mining industry.

2. OUR DEFENCE PRODUCTS:

1. High Energy Explosives
2. Propellants for delivering missiles and rockets
3. Ammunition filling
4. Pyros, Igniters and Fuzes

HMX and HMX Compounds

Of the nearly 20 different energetic compounds used in conventional munitions by the military today, RDX and HMX are the ones most commonly used.

We forayed into the defence segment three years back and commenced production of HMX and HMX compounds. This not only has application in ammunition explosives (missiles and rocket propellants), but also has demand in civilian areas. The revenues of the same would be realised soon.





D. OUTLOOK

We are guided by performance with purpose. We are delivering results today and confidently preparing for the future. We face the challenge to perform in the short term, while making bold and transformative moves to realise future growth opportunities and create long-term shareholder value. Riding on the back of consistent performance, our motive is to emerge as a global leader in the manufacturing of industrial and military explosives. We aim to be a key solutions provider with innovative technology and services and a focus on safety, quality and reliability.

With industry leadership, significant entry barriers and an optimal product mix, we are likely to benefit the most from a revival in mining and infrastructure activity. Consistency in revenue, PAT growth, disciplined capex programmes and logical overseas and new segment diversification are acting as our key catalysts. Even in the export and overseas business, there is a lot of opportunity for growth, with many more un-penetrated markets yet to be explored. Our business model has evolved over time and reiterates our confidence to capture the upcoming opportunity with a revival in industrial activity. Being the largest player, we are well set to capitalise on the forthcoming opportunity in the

coal sector, given the kind of product mix, existing capacities and future capex plans we command.

Policy changes in our key sectors – mining, infrastructure and construction – adds to our positive outlook. Our steadfast commitment to our overseas customers also keeps us moving into the future. As most of these countries are now on the path of economic recovery, we foresee that translating into positive growth for the Company.

A foray in new business segments such as defence will further solidify our business model at a time when the Government's prerogative is to indigenise defence manufacturing. This will allow us to scale the defence business at a faster pace. The Government's decision to allow private companies into the highly regulated defence sector has opened doors for a massive opportunity in the defence segment. Following our strategic entry into the defence segment, we expect it to be our future growth driver and look forward to leveraging the untapped potential in this segment.

We are unleashing the full potential of our domestic and global scale and made some good decisions during the year. Today, we have a competitively advantaged business

that is rewarding investors with strong earnings growth. We have demonstrated that we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our stakeholders.

E. RISKS AND CONCERNS

Risk Management is a very important part of the Company's business. The Company has in place an integrated risk management system. It proactively identifies, monitors and takes precautionary and mitigation measures in respect of various risks that threaten its operations and resources. Below are some key risks it faces and the mitigation plans it has in place to manage these risks.

1. Economic and Political Factors

The end-use sector for the Company is based on economic and infrastructure sector growth and hence economic slowdown can have an adverse impact. Any significant change in the Government's priorities and focus on the country's growth can affect sectors such as infrastructure, defence, housing and mining, among others. The Company is also increasing its global footprints.

Mitigation plan:

Over the last two decades, your Company has seen several business cycles. Leveraging on this experience, your Company has maintained a reasonably leveraged balance sheet. Also, with best-in-class product offerings, your Company is the preferred supplier to all major players in the mining and infrastructure sector.

2. Compliance Risk

The commercial explosives industry is highly sensitive and strongly regulated. Any adverse decision by the Government or the regulatory bodies can adversely impact SILL's core operations.

Mitigation plan:

SILL is in possession of all the necessary licenses needed for running its operations. It also stringently follows all the rules and laws set by regulatory bodies. It complies fully with the regulatory body's requirements.

3. Price Volatility

The key raw materials used in the manufacture of explosives are Ammonium Nitrate (AN) and Diesel. Since these raw materials can exhibit price volatility, the Company's profits can be adversely impacted.

Mitigation plan:

The Company has entered into fixed sales contracts with its customers, taking into consideration the price escalation.

This largely insulates SILL from price fluctuations. Being an integrated player in the marketplace, it also enjoys the inherent advantage of backward integration (except AN manufacturing).

4. Concentration Risk

The Company is concentrated in a few industries and clients. In case there is a slowdown in these sectors, it can negatively impact the Company's revenues. Coal India is our largest customer having 26% share in our total revenue.

Mitigation plan:

SILL's product portfolio is diversified across the mining and infrastructure segments, with vast opportunity for growth. In addition to this, the Company is well diversified into key geographies and earns a significant portion of its revenues from the overseas operations and from exports.

5. Competition Risk

Coal India Limited follows reverse online mechanism for procurement, which poses a constant risk of loss of business to competitors of SILL.

Mitigation plan:

SILL is an integrated player in the explosives industry with a presence across the value chain, producing all the major products. The Company has a pan-India presence and is also present in some of the key overseas markets. The tender system of supply at Coal India enables SILL to participate and win the contracts on merit basis. However, aggressive bidding by competitors can impact margins to some extent.

6. Hazardous Risk

Being highly prone to accidents, the business of the Company requires a high level of safety.

Mitigation plan:

Solar supports the well-being of all its employees. It displays zero incident rate, frequency rate and severity rate, showcasing its commitment to safety. To handle safety issues effectively, it conducts regular training for the safety of its employees across processes and follows regular safety check mechanisms. The Company is an active member of SAFEX, an international apex body promoting best safety practices.

7. Currency Risk

Volatility in the Indian rupee and respective currencies of Subsidiary operations can have an effect on the Company's profitability.

MANAGEMENT DISCUSSION & ANALYSIS

Mitigation plan:

The Company avails ECB, FCNR Loans and Buyers' credit facilities, which are duly covered with Forward Options. We have a FOREX Policy for Benchmark Costing that covers the risk management of FOREX Exposure. The Company also has significant exports, which act as a natural hedge. However, the business is exposed to sudden unpredictable local Currency movement of the Subsidiaries.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2016. The assessment involved self-review, peer review and external audit. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets Solar's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2016, our internal financial controls were adequate and operating effectively.

G. DISCUSSION ON FINANCIAL PERFORMANCE, WITH RESPECT TO OPERATIONAL PERFORMANCE

Annual Cost Analysis

The overall cost as percentage of net sales for the FY2015-16 is 84.43% as against 85.26% in the previous year. Overall cost includes raw material consumed, employee cost, depreciation, interest & finance cost and other expenses. The material consumed, as a percentage of net sales remained steady. Employee costs, as a percentage of net sales, decreased to 5.73% from 5.93%. Depreciation decreased to 2.14% from 2.34%. The interest and finance costs also remained stable.

Gross Sales

The revenue of the company grew by 13.72% from ₹ 1,462.86 crore in FY2014-15 to ₹ 1,663.55 crore in FY2015-16. During FY2016 the export and overseas sales constituted 29% of the total sales, whereas 71% was attributed to domestic sales.

EBIDTA

EBIDTA was recorded at ₹ 309.9 crore, as against ₹ 261.92 crore in the previous year, translating into a growth of 18.3%. The EBIDTA margin was recorded at 20.22%, an increase of 75 basis points over the previous year. This is due to effective Cost & Working Capital Management and Change in Revenue break-up from Domestic Sales and Exports.

Profit After Tax

The Net Profit after Tax during FY2015-16 grew to ₹ 166.14 crore from ₹ 147.41 crore in the previous year, marking an increase of 12.7%.

Debt

The Company's overall (short-term and long-term) borrowings increased to ₹ 346.47 crore from ₹ 328.48 crore. Debt equity ratio dipped to 0.40 from 0.42 in the previous year. During FY2016, the Company made a Gross Capex of ₹ 135.52 crore.

Return on Capital Employed

Capital Employed for FY2015-16 was recorded at ₹ 1,169.81 Crores, as compared to ₹ 1,063.86 Crores in FY2014-15. With an EBITA of ₹ 277.06 Crores in FY2015-16, our ROCE stood at 23.68% vis-à-vis 21.66% in FY2014-15 when the EBITA was ₹ 230.47 Crores.

Working Capital Cycle

Working Capital for FY2015-16 was ₹ 421.19 Crores, in comparison with ₹ 417.95 Crores for FY2014-15. Taking into account Gross Sales of ₹ 1,658.23 Crores in FY2015-16, working capital days stood at 93, compared to 105 in FY2014-15 with a gross sales of 1,456.47 Crores. In FY2015-16, inventory days and debtor days stood at 68 and 59, respectively, vis-à-vis 78 and 48, respectively, in FY2014-15.

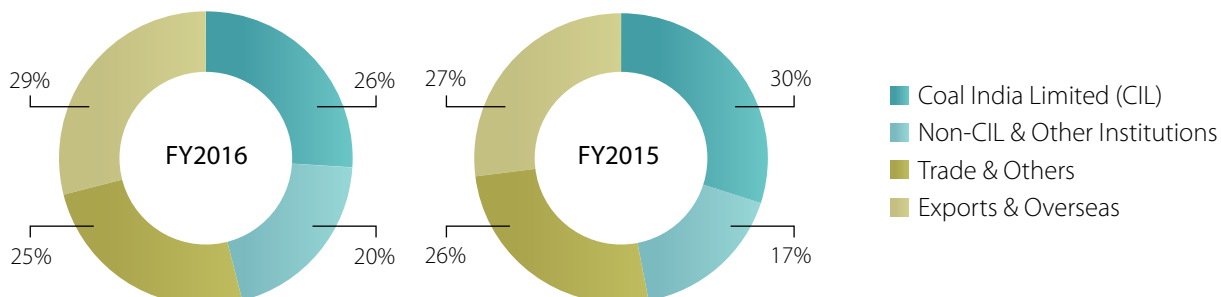
Dividend

The Board declared and paid two interim dividends during the year. The first interim dividend paid was ₹ 9 per share and the second interim dividend paid was ₹ 13.50 per share. The total dividend for the year ended March 31, 2016 aggregated to ₹ 22.50 per share on 18,098,011 equity shares of a face value of ₹ 10 each. The Dividend Payout Ratio in FY2016 stands at 29.50%, as compared to 24.37% in FY2015.

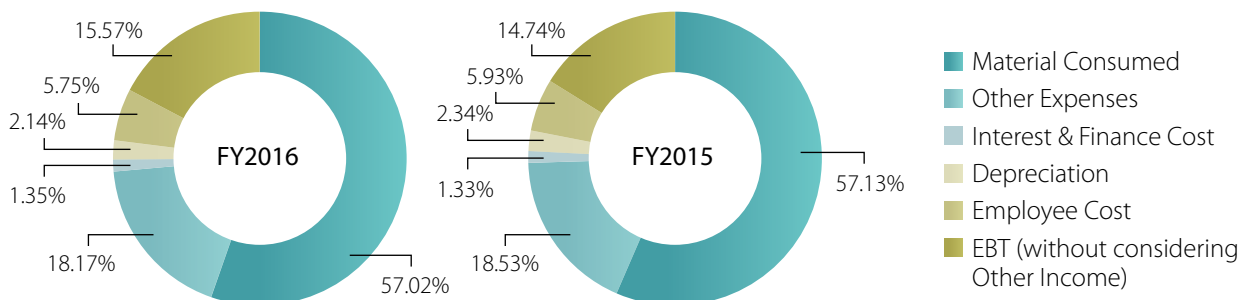
Earnings Per Share

Earnings Per Share increased from ₹ 81.45 in the previous financial year to ₹ 91.80 as on March 31, 2016.

Annual Revenue Break-Up



Annual Cost Break-Up



H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Our HR policies and practices are designed to enable employees to realise their full potential. We continuously focus on maximising the performance of our workforce, organisation and human resources (HR) function to reach new levels of business value. Our underlying objective is to provide individuals the platform to perform at peak potential, a safe and secure workplace and a stimulating environment to innovate and experience the pride of a job well done. As on 31st March 2016, the Company had over 952 employees.

Labour Practices and Human Rights

Our dedicated HR team ensures effective implementation of the HR policies. We ensure compliance with ethical and human rights standards and the applicable local laws. Regulatory requirements such as conventions of the International Labour Organisation (ILO), the Factories Act 1948, Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act 1996, Central Rules 1998 and Industrial Disputes Act 1947, are considered as minimum essential requirement. We have also established

Complaints Committees to deal with cases of sexual harassment at the workplace, if any. Workmen and safety-related issues are reviewed at our manufacturing units and project locations in Safety Management Committee meetings.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Solar Industries India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Solar Industries India Limited's Annual Report, 2015-16.

Directors' Report

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Solar'), along with the Audited Financial Statements, for the financial year ended on March 31, 2016. The consolidated performance of the Company and its subsidiaries has been referred to whenever required.

1. RESULTS OF OUR OPERATIONS

Financial Highlights

(₹ in crores, except per equity share data)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016	2015	2016	2015
Net Revenue from operations				
(Including Other Income)	1099.69	1034.58	1550.52	1359.80
Less: Expenditure	907.15	859.33	1240.64	1097.88
Operating profit (PBIDT)	192.54	175.25	309.88	261.92
Interest	7.92	7.24	20.69	17.85
Profit before Depreciation & Tax (PBT)	184.62	168.01	289.19	244.07
Less: Depreciation	17.72	17.66	32.82	31.45
Profit before Tax & Exceptional items	166.90	150.35	256.37	212.62
Less: Exceptional items	-	10.00	-	10.00
Profit before Tax	166.90	140.35	256.37	202.62
Less: Provision for Taxation	55.64	32.43	76.39	46.28
Profit after Tax	111.26	107.92	179.98	156.34
Share of profit transfer to minority	-	-	13.84	8.93
Stock Reserve	-	-	0.72	4.85
Balance brought forward	195.47	157.47	308.92	261.86
Balance available for appropriation	306.73	265.39	475.78	414.12
Appropriation:				
Interim Dividend	40.72	14.48	40.72	14.58
Proposed Dividend	-	16.29	-	16.29
Tax On Dividend	8.29	3.32	8.29	5.16
Adjustment of Taxes	-	-	-	0.20
Adjustment of Depreciation	-	5.83	-	6.93
General Reserve	45.00	30.00	75.00	50.00
Balance Profit Carried To Balance Sheet	212.72	195.47	351.77	320.96
Earning Per Share (EPS) - Basic & Diluted (₹)	61.48	59.63	91.8	81.45

Standalone Reaching

- During the financial year ending on March 31, 2016 the Company achieved turnover of ₹ 1198.54 Crores as against turnover of ₹ 1116.84 Crores achieved during the previous year, which is a significant increase in turnover by 7.32 %.
- The Profit After Tax (PAT) for the financial year 2015-16 is ₹ 111.26 Crores against ₹ 107.92 Crores in the previous year 2014-15.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax stood at ₹ 192.54 Crores as against ₹ 175.25 Crores in the previous year.
- Earnings Per Share as on March 31, 2016 is ₹ 61.48 vis a vis against ₹ 59.63 as on March 31, 2015.
- The net worth of the Company has increased and stands at ₹ 585.85 Crores for the fiscal year 2015-16 from ₹ 523.60 Crores of the previous fiscal year 2014-15.

Consolidated Reaching

- During the financial year ending on March 31, 2016 the Company achieved turnover of ₹ 1663.55 Crores as against turnover of ₹ 1462.86 Crores achieved during the previous year, which is a significant increase in turnover by 13.72%.
- The Profit After Tax (PAT) after transferring the share of profit of Minority Interest for the financial year 2015-16 is ₹ 166.14 Crores against previous year ₹ 147.41 Crores in 2014-15.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax stood at ₹ 309.88 Crores as against ₹ 261.92 Crores in the previous year.
- Earnings Per Share as on March 31, 2016 is ₹ 91.80 vis a vis against ₹ 81.45 as on 31st March, 2015.
- The net worth of the Company has increased and stands at to ₹ 867.57 Crores in the fiscal year 2016 from ₹ 775.89 Crores at the end of fiscal year 2015.

APPROPRIATIONS:**Dividend:**

Pursuant to the approval of Board of Directors on October 29, 2015, your company had distributed a first interim dividend of ₹ 9/- per share and on March 04, 2016 it had distributed a second interim dividend of ₹ 13.50/- per share. The total dividend for the year ended on March 31, 2016 would accordingly be ₹ 22.50/- per Equity Share (225% of face value) as against the total dividend of ₹ 17/- per Equity Share (170% of face value) for the year ended on March 31, 2015. The total outgo due to Dividend of the Company is ₹ 49.01 Crores, including dividend distribution tax as against ₹ 36.03 Crores in the previous year. The directors do not recommend any further dividend for the year 2015-16. The Dividend payout Ratio of your Company is 27.23%.

Transfers to Reserves:

The Company has transferred ₹ 75.00 Crores to the general reserve out of the amount available for appropriations and an amount of ₹ 351.77 Crores is proposed to be retained in the statement of profit and loss.

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.

CREDIT RATINGS:

CRISIL has re-affirmed its ratings for the long term borrowings of Solar Industries India Limited (SIIL) to "CRISIL AA/Stable". 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+."

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.

2. SUBSIDIARIES AND ASSOCIATES:

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.

During the year under review, two wholly owned subsidiaries were incorporated following are details;

1. Solar Defence Limited, and
2. Solar Defence Systems Limited

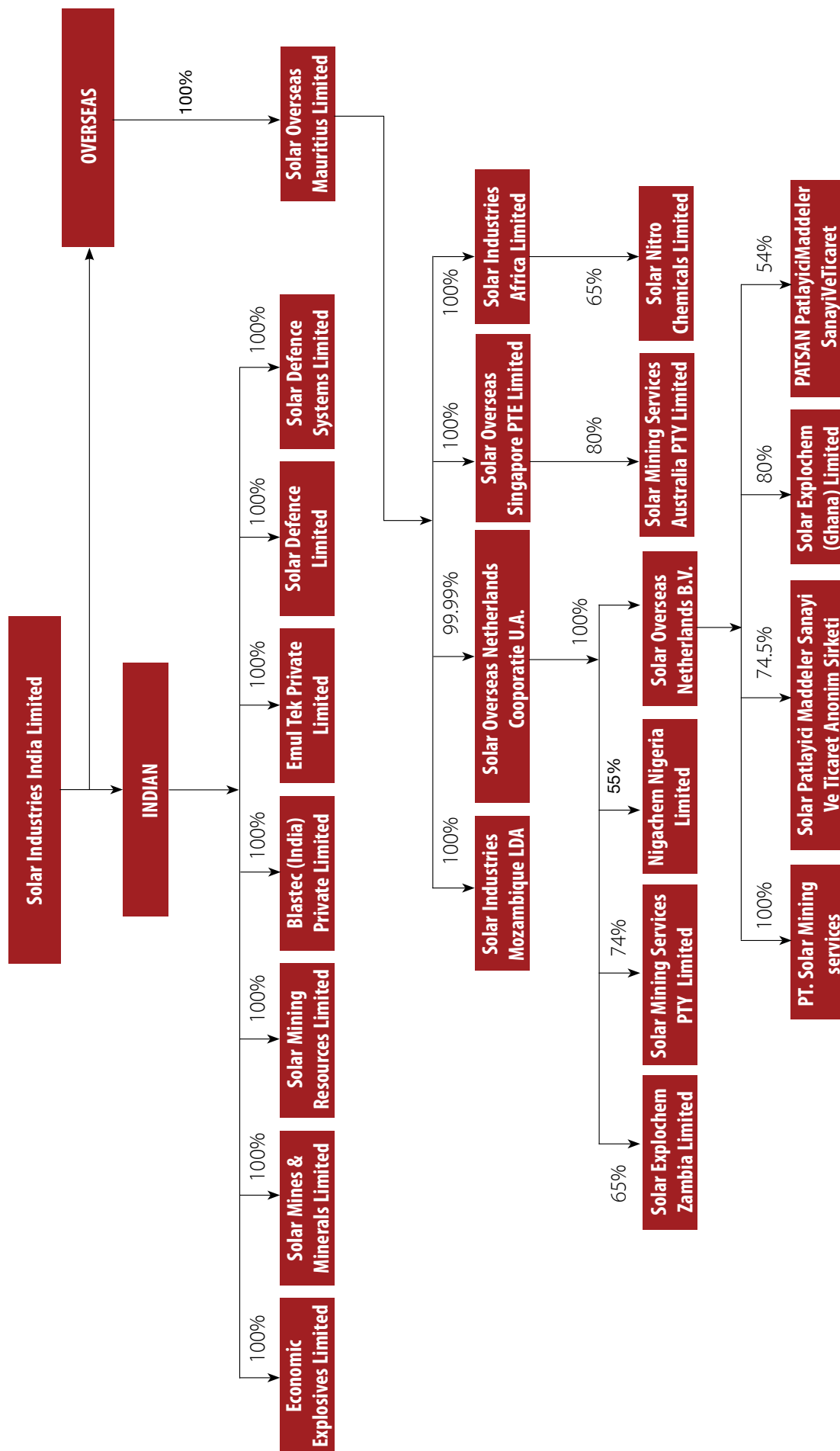
AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

The Board of Directors of your Company at its meeting held on May 16, 2016, approved the Audited Consolidated Financial Statements for the financial year 2015-16 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 2015-16, 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.

Current Holding Structure of Solar Industries India Limited



3. CORPORATE GOVERNANCE

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 Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance and Management Discussion and Analysis along with necessary certificates together with the 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 regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.

Board Diversity:

Your Company has laid down well-defined criteria for the selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management. The relevant information has been given in the **Annexure "A"** which forms part of the Director's Report.

Declaration by 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 Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarization Programme for the Independent Directors:

In compliance with the requirements of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation programme for

the Independent Directors to familiarise them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation programme are explained in the Corporate Governance Report. The same is also available on the website of the Company and can be accessed by web link. <http://solargroup.com/uploads/investors/policies/FPIDS.pdf>

MEETINGS

Number of Meetings of the Board:

During the year Five Board Meetings were convened and held on May 25, 2015, August 10, 2015, October 29, 2015, February 04, 2016 and March 04, 2016. 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, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The details of committee meetings are given in the Corporate Governance Report.

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, 2016:

NAME	DESIGNATION
Shri Dilip Patel	Chairman
Shri Amrendra Verma	Member
Shri Manish Nuwal	Member
Smt. Madhu Vij	Member
Shri Satish Chandra Gupta ^	Member
Smt Khushboo Pasari	Secretary

Note:

^ Shri Satish Chandra Gupta ceased to be the member of Audit Committee w.e.f. 28th May, 2015

Directors' Report

NOMINATION AND REMUNERATION COMMITTEE

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

NAME	DESIGNATION
Shri Anant Sagar Awasthi	Chairman
Shri Ajai Nigam	Member
Shri Dilip Patel	Member
Shri Satish Chandra Gupta [^]	Member
Smt Khushboo Pasari	Secretary

Note:

[^] Shri Satish Chandra Gupta ceased to be a member of Audit Committee and Shri Ajai Nigam was appointed as a member in his place w.e.f. 28th May, 2015

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NAME	DESIGNATION
Shri Anant Sagar Awasthi	Chairman
Shri Kailashchandra Nuwal	Member
Shri Roomie Dara Vakil	Member
Smt Khushboo Pasari	Secretary

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

NAME	DESIGNATION
Shri Satyanarayan Nuwal	Chairman
Shri Manish Nuwal	Member
Shri Ajai Nigam	Member
Smt Khushboo Pasari	Secretary

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 at the link <http://solargroup.com/uploads/investors/policies/WBP.pdf>

Listing Agreement

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective on December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into uniform Listing Agreement with BSE Limited and National Stock Exchange of India Limited during December 2015.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS:

Inductions

The Board have considered and approved the following appointments/re-appointments:

- Re-appointment of Shri Satyanarayan Nuwal, as Chairman and an Executive Director of the Company, subject to approval of members of the Company through Postal Ballot.
- Appointment of Shri Kailashchandra Nuwal, as Vice Chairman and Re-appointment as an Executive Director of the Company, subject to approval of members of the Company through Postal Ballot.
- Appointment of Shri Manish Nuwal as Managing Director of the Company, subject to approval of members of the Company through Postal Ballot. He also holds the position of Chief Executive Officer of the Company.

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 Roomie Dara Vakil (DIN: 00180806) 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 at Item No. 3 of the Notice Calling 21st Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Roomie Dara Vakil (DIN:00180806) who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the Annexure to the notice calling 21st Annual General Meeting.

DIRECTOR'S CESSATION

Shri Satish Chandra Gupta, Non – Executive Independent Director has stepped down from the Board effective from May 28, 2015. The Directors wish to record their gratitude and appreciation for the wise counselling and contributions by Shri Satish Chandra Gupta during his tenure as the Director of the Company.

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 have been designated as the Key Managerial Personnel of the Company.

- Shri Satyanarayan Nuwal – Chairman and Executive Director,
- Shri Kailashchandra Nuwal – Vice Chairman and Executive Director,
- Shri Manish Nuwal – Managing Director and Chief Executive Officer,
- Shri Anil Kumar Jain – Executive Director,
- Shri Roomie Dara Vakil – Executive Director,
- Shri Nilesh Panpaliya – Chief Financial Officer and
- Mrs. Khushboo Pasari – Company Secretary and Compliance Officer.

BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, self-performance evaluation of all the Directors, 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 Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

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:

EXECUTIVE DIRECTORS	RATIO TO MEDIAN REMUNERATION
Shri Satyanarayan Nuwal - Chairman and Executive Director	131.58
Shri Kailashchandra Nuwal - Vice Chairman and Executive Director	131.58
Shri Manish Nuwal - Managing Director and Chief Executive Officer	131.58
Shri Anil Kumar Jain - Executive Director	8.49
Shri Roomie Dara Vakil - Executive Director	14.53

Note: Non-Executive Independent Directors were paid sitting fees for attending Board and Board Committee Meetings for the year 2015-16.

Directors' Report

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

DIRECTORS, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2015-16
Shri Satyanarayan Nuwal - Chairman and Executive Director	7.14
Shri Kailashchandra Nuwal - Vice Chairman and Executive Director	7.14
Shri Manish Nuwal - Managing Director and Chief Executive Officer	7.14
Shri Anil Kumar Jain - Executive Director	Appointed during the year
Shri Roomie Dara Vakil - Executive Director	5.26
Shri Nilesh Panpaliya - Chief Financial Officer	3.07
Smt Khushboo Pasari - Company Secretary	4.03

c. The percentage increase in the median remuneration of employees in the financial year: 37.86%

d. The number of permanent employees on the rolls of Company: 1308.

e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 12.78%. The individual increments varied from 3% to 20%, 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:

PARTICULARS	
Aggregate remuneration of key managerial personnel (KMP) in FY 2015-16 (₹ in Crores)	0.34
Revenue (₹ in Crores)	1089.50
Remuneration of KMPs (as % of revenue)	0.03
Profit before Tax (PBT) (₹ in Crores)	166.90
Remuneration of KMP (as % of PBT)	0.20

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, 2016	March 31, 2015	% Change
Market Capitalisation (₹ in Crores)	6283.09	6138.94	2.35
Price Earnings Ratio	37.82	41.65	(9.19)

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, 2016	March 27, 2006 (IPO)	% Change
Market Price (BSE)	3471.70	190.00	1727.21
Market Price (NSE)	3458.00	190.00	1720.00

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 12.78 %. However, during the course of the year, the total increase is approximately 12.78%, after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was 5.63%.

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 KAILASH-CHANDRA NUWAL, VICE CHAIRMAN AND EXECUTIVE DIRECTOR	SHRI MANISH NUWAL, MANAGING DIRECTOR AND CEO	SHRI ANIL KUMAR JAIN, EXECUTIVE DIRECTOR	SHRI ROOMIE DARA VAKIL, EXECUTIVE DIRECTOR	SHRI NILESH PANPALIYA, CHIEF FINANCIAL OFFICER	MRS. KHUSHBOO PASARI, COMPANY SECRETARY
Remuneration in FY 2015-16 (₹ in Crores)	2.67	2.57	2.57	0.16	0.26	0.27	0.07
Revenue (₹ in Crores)	1089.50	1089.50	1089.50	1089.50	1089.50	1089.50	1089.50
Remuneration (as % of revenue)	0.25	0.24	0.24	0.01	0.02	0.02	0.01
Profit before Tax (PBT) (₹ in Crores)	166.90	166.90	166.90	166.90	166.90	166.90	166.90
Remuneration (as % of PBT)	1.60	1.54	1.54	0.10	0.16	0.16	0.04

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.

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 forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was 18.10 Crores. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

POST BALANCE SHEET DATE EVENT:

Sub-division of the Equity Shares of the Company:

The Board of Directors at their meeting held on May 16, 2016 have approved the sub-division of the Equity shares of the Company from one share of face value of ₹ 10/- per share into 5 shares of ₹ 2/- per share and recommend the same for the approval of shareholders by Postal Ballot.

Extract of Annual Return

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:
Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Board of Directors hereby confirms that:**

- In the preparation of the annual accounts of the Company for the year ended March 31, 2016, the applicable Accounting Standards had been followed and there are no departures;
- Accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the profit of the Company for that year ended on that date;

Directors' Report

- 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, 2016 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.

INDIAN ACCOUNTING STANDARDS (IND AS) - CONVERGED STANDARDS

The Ministry of Corporate Affairs vide its notification dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015.

In pursuance of this notification, the Company and its subsidiaries will adopt IND AS with effect from April 01, 2016.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2015-16 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 were 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.

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in "Annexure C" in Form AOC-2 and the same forms part of this report.

5. 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 22nd Annual General Meeting to be held in the year 2017.

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 2015-16 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 2016-17 on a remuneration of ₹1,10,000/- (Rupees One Lakh Ten Thousand 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.5 of the Notice convening the 21st Annual General Meeting of the Company.

Internal Auditor

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

The Board of Directors of the Company has appointed M/s Ekbote Deshmukh & Co. Chartered Accountants and M/s D L & Associates Chartered Accountants, in place of 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 2016-2017.

Secretarial Auditors

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 2015-16 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 D"**.

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 2016-2017.

6. CORPORATE SOCIAL RESPONSIBILITY

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken various projects in the areas like:

- promoting preventive health care
- ensuring environment sustainability

The projects are largely in accordance with Schedule VII of the Companies Act, 2013.

Solar's investment in ensuring environment sustainability and promoting preventive health care is in accordance with the objective of providing better environment and healthcare to the needy persons of the society.

The Company offered a helping hand to the CIIMS Hospital for purchasing MRI Machine to treat the poor and needy sections of the society, most of who come to them in a critical condition needing immediate medical attention.

Your Company also helped Swami Vivekanand Medical Mission Hospital for upgrading their general wards to treat the poor and needy sections of the society in a neat, clean, hygienic and well maintained place for better recovery.

The Company undertook a number of initiatives for environment preservation during the year, details of which are as follows;

- Distributed 500 improved Chulhas and 60 Solar Cookers at villagers of Sawanga to reduce their dependency on fuel wood, thereby preserving the nearby forest area.
- Contributed to Vanrai Foundation for Eco-Sustainable activities in the field of Tree Plantation, Afforestation, Integrated Rural Development, Soil and Water conservation and Environmental Awareness

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

Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE WARNINGS 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 F"**.

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 16, 2016 has approved the Audited Consolidated Financial Statements for the financial year 2015-16 and its subsidiaries in accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2015-16, are prepared in compliance with applicable Accounting Standards based on management's estimates, assumptions and judgments where applicable as well as Listing Regulations 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.

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 of ₹ 17,860 lying in the Final Dividend Account (2007-2008) 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 9, 2015 (date of last Annual General Meeting) on the Company's website (www.solargroup.com) and also on the Ministry of Corporate Affairs' website.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CEO/CFO CERTIFICATION

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

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.

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board

Place : Nagpur
Date : May 16, 2016

(Satyanarayan Nuwal)
Chairman

Annexure 'A'

Policy for the Selection and Appointment of Directors, Key Managerial Personnel and Senior Management

POLICY

The company's primary concern in relation to the composition of the Board is to have a well-balanced group with a variety of backgrounds, skills and experience. The priority in the nomination of a proposed board member is to identify their respective skills that will add value to the company and which may not exist in the present composition of board members.

The Nomination and Remuneration Committee ("Committee") plays an important role in ensuring that there is a formal and transparent process for appointment to the Board of Directors and is inter alia, responsible for identifying potential candidates for appointment as Directors.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as director on the Board of Directors of the Company.

The Committee has adopted the following criteria for selection of candidates eligible to be appointed in the senior management of the Company and also member on the Board of Directors of the Company.

CRITERIA FOR SELECTION OF DIRECTORS:

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following:

- The candidate should possess the positive attributes such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- The candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in case of appointment of an independent director;

The candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, such other areas or disciplines which are relevant for the Company's business.

CRITERIA FOR SELECTION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, consider the attributes of the candidate set forth below:

- The candidate should have a required level of qualification and experience in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- The candidate should possess the positive attributes such as leadership skills, decision making skills, effective communication, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment in senior management or director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for appointment of directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

Annexure 'B'

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 Limited 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

SR. NO.	NAME OF THE COMPANIES	CIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Economic Explosives Limited	U24292MH1995PLC091808	Subsidiary	100	2(87)
2.	Solar Mines & Minerals Limited	U14101MH2006PLC165472	Subsidiary	100	2(87)
3.	Solar Mining Resources Limited	U14101MH2006PLC165471	Subsidiary	100	2(87)
4.	Solar Defence Limited	U29220MH2016PLC274147	Subsidiary	100	2(87)
5.	Solar Defence Systems Limited	U29253MH2016PLC274677	Subsidiary	100	2(87)
6.	Emul Tek Private Limited	U24292MH2000PTC274027	Subsidiary	100	2(87)
7.	Blastec (India) Private Limited	U74999MH2000PTC274886	Subsidiary	100	2(87)
8.	Solar Overseas Mauritius Limited		Subsidiary	100	2(87)
9.	SMS Bhatgaon Mines Extension Private Limited	U13209MH2008PTC186729	Associate	49	2(6)
10.	Solar Bhatgaon Extension Mines Private Limited	U13200MH2008PTC186685	Associate	49	2(6)

4. SHAREHOLDING PATTERN (Equity Share Capital Breakup As Percentage Of Total Equity)
i) Category wise shareholding

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
A. Promoters								
(1) Indian								
a. Individuals/Hindu Undivided Family	13195255	-	13195255	72.91	13208207	-	13208207	72.98
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)	13195255	-	13195255	72.91	13208207	-	13208207	72.98
(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)	13195255		13195255	72.91	13208207	-	13208207	72.98
								0.07

Annexure 'B'

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
B. Public shareholding									
1. Institutions									
a. Mutual Funds/UTI	2677213	-	2677213	14.79	3298463	-	3298463	18.23	3.44
b. Financial Institutions / Banks	795	-	795	0.00	378	-	378	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	541802	-	541802	2.99	482419	-	482419	2.67	(0.32)
f. Foreign Institute Investors	192847	-	192847	1.07	189139	-	189139	1.05	0.02
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)	3412657	-	3412657	18.86	3970399	-	3970399	21.95	3.09
2. Non-institutions									
a. Bodies Corporate	869163	-	869163	4.80	76277	-	76277	0.42	(4.38)
b. (i) Individuals - shareholders holding nominal share capital up to ₹1 Lakh	514208	4	514212	2.84	568227	11	568238	3.14	0.3
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	75663	-	75663	0.42	0	-	0	0.00	(0.42)
c. Qualified Foreign Investors	0	-	0	0.00	0	-	0	0.00	0.00

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
d. Any Other								
i) Non Resident Indians (Repat)	7101	-	7101	0.04	6600	-	6600	0.04
ii) Non Resident Indians (Non Repat)	13935	-	13935	0.08	8875	-	8875	0.05
iii) Foreign Portfolio Investor (Corporate)	4700	-	4700	0.03	203529	-	203529	1.12
iv) Clearing Member	5225	-	5225	0.03	2886	-	2886	0.02
v) Directors	0	-	0	0.00	0	-	0	0.00
vi) Trusts	100	-	100	0.00	-	-	-	-
vii) HUF	-	-	-	-	53000	-	53000	0.29
SUB TOTAL (B)(2)	1490095	4	1490099	8.23	919394	-	919405	5.08
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	4902752	4	4902756	27.09	4889793	11	4889804	27.03
Total (A)+(B)	18098007	4	18098011	100.0	18098000	11	18098011	100.00
Shares held by custodians and against which Depository Receipts have been issued								
Promoter and Promoter group	0	-	0	0.00	0	-	0	0.00
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	100.0	18098000	11	18098011	100.0

ii) Shareholding of Promoters

SR. NO.	NAME OF THE PROMOTER	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)	Shri Satyanarayan Nandlal Nuwal	4055787	22.41	0.00	4068739	22.48	0.00	0.07
ii)	Shri Kailashchandra Nandlalji Nuwal	3547819	19.60	0.00	3547819	19.60	0.00	0.00
iii)	Smt Indira Kailashchandra Nuwal	1113646	6.15	0.00	1113646	6.15	0.00	0.00
iv)	Smt Leeladevi Satyanarayan Nuwal	1015188	5.61	0.00	1015188	5.61	0.00	0.00
v)	Smt Sohadevi Nandlal Nuwal	929938	5.14	0.00	929938	5.14	0.00	0.00
vi)	Shri Manish Satyanarayan Nuwal	862813	4.77	0.00	862813	4.77	0.00	0.00
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 Bodulalji Nuwal HUF Nuwal	421250	2.33	0.00	421250	2.33	0.00	0.00
x)	Smt Seema Manish Nuwal	248688	1.37	0.00	248688	1.37	0.00	0.00
xi)	Shri Rahul Kailashchandra Nuwal	5063	0.03	0.00	5063	0.03	0.00	0.00
	TOTAL	13195255	72.91	0.00	13208207	72.98	0.00	0.07

(iii) Change in Promoters' Shareholding

SR. NO.	NAME OF SHAREHOLDER	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)	Shri Satyanarayan Nuwal				
	At the beginning of the year	4055787	22.41	4055787	22.41
	Purchase during the year	12952	0.07	4068739	22.48
	At the End of the year	-	-	4068739	22.48

(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	1276973	7.0559	1097572	6.0646
ii)	SBI Emerging Businesses Fund	377146	2.0839	1083131	5.9848
iii)	ICICI Prudential Life Insurance Company Ltd	541802	2.9937	482419	2.6656
iv)	Kotak Select Focus Fund	93778	0.5182	271046	1.4977
v)	DSP Blackrock Micro Cap Fund	268225	1.4821	258329	1.4274
vi)	Tata Balanced Fund	65000	0.3592	195100	1.0780
vii)	Kotak Mahindra (UK) Ltd A/C India Midcap (Mauritius) Ltd	24049	0.1329	159698	0.8824
viii)	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Midcap Fund	203357	1.1236	144309	0.7974
ix)	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	85795	0.4741	120972	0.6684
x)	Aperios Emerging Connectivity Master Fund Limited	0	0.00	113402	0.6266

* **Note:** The shares of the Company are traded on 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		CUMULATIVE 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				
	At the beginning of the year	4055787	22.41	4055787	22.41
	Purchase during the year	12952	0.07	4068739	22.48
	At the End of the year	--	--	4068739	22.48

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
ii)	Shri Kailashchandra Nuwal	3547819	19.61	3547819	19.61
iii)	Shri Manish Nuwal	862813	4.77	862813	4.77
iv)	Shri Anil Kumar Jain	0	0.00	0	0.00
v)	Shri Roomie Dara Vakil				
	At the beginning of the year	30	0.00	30	0.00
	Purchase during the year	70	0.00	100	0.00
	At the End of the year	--	--	100	0.00
SR. NO.	NAME OF 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				
	At the beginning of the year	3638	0.02	3638	0.02
	Purchase during the year	350	0.00	3988	0.02
	At the end of the year	--	--	3988	0.02
ii)	Mrs. Khushboo Pasari				
	At the beginning of the year	50	0.00	50	0.00
	Purchase during the year	492	0.00	542	0.00
	At the end of the year	--	--	542	0.00

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS		UNSECURED LOANS		TOTAL INDEBTEDNESS	
	SECURED LOANS	DEPOSITS	UNSECURED LOANS	DEPOSITS	(₹ in Crores)	
Indebtedness at the beginning of the Financial Year						
i) Principal Amount		154.85	-	-	-	154.85
ii) Interest due but not paid		-	-	-	-	-
iii) Interest accrued but not		-	-	-	-	-
TOTAL (i+ii+iii)		154.85	-	-	-	154.85

Change in Indebtedness during the financial year			
● Addition	-	40.61	40.61
● Reduction	19.47	-	19.47
Net change	19.47	40.61	21.14
Indebtedness at the end of the financial year			
i) Principal Amount	135.38	40.61	175.99
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
TOTAL (i+ii+iii)	135.38	40.61	175.99

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Directors:

SR. NO.	PARTICULARS OF REMUNERATION	SHRI (₹ in Crores)							TOTAL AMOUNT	
		SHRI SATYANARAYAN NUWAL	SHRI KAILASH CHANDRA NUWAL	SHRI MANISH NUWAL	SHRI ANIL KUMAR JAIN	SHRI ROOMIE DARA VAKIL	*SHRI KUNDANSINGH TALESRA			
1	Gross salary									
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.75	0.75	0.75	0.15	0.25	0.05		2.70	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.42	0.32	0.23	0.01	0.01	0.03		1.02	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil		Nil	
2	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil		Nil	
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil		Nil	
4	Commission									
	- as % of profit	1.50	1.50	1.50	Nil	Nil	Nil		4.50	
	- others, specify...	Nil	Nil	Nil	Nil	Nil	Nil		Nil	
5	Others, GPA, Car Allowance, Bonus, HRA	Nil	Nil	0.09	0.00	0.00	0.06		0.15	
	TOTAL (A)	2.67	2.57	2.57	0.16	0.26	0.14		8.37	
	Ceiling as per the Act	₹ 16.69 Crores (Being 10% of the net profit of the Company as per Section 198 of the Companies Act, 2013)								

*Shri Kundansingh Talestra ceased to be Executive Director and Chief Executive Officer w.e.f. May 25, 2015.

B. Sitting fees to Non- Executive Independent Directors:

(in ₹)

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTOR							TOTAL AMOUNT
		SHRI ANANT SAGAR AWASHTI	SHRI DILIP PATEL	SHRI AMRENDRA VERMA	SHRI AJAI NIGAM	MRS. MADHU VIJ	*SHRI SATISH CHANDRA GUPTA	TOTAL AMOUNT	
1.	Fee for attending board / committee meetings	2,00,000	1,80,000	1,50,000	1,40,000	1,60,000	45,000	8,75,000	
2.	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
3.	Others, Please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	TOTAL (B)	2,00,000	1,80,000	1,50,000	1,40,000	1,60,000	45,000	8,75,000	

Note:

* Shri Satish Chandra Gupta ceased to be Non-Executive Independent Director w.e.f. May 28, 2015. Overall ceiling is not applicable to sitting fees.

C. Remuneration to Key Managerial Personnel Other than Whole-Time Directors:

(₹ in Crores)

SR. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		TOTAL AMOUNT
		SHRI NILESH PANPALIYA	MRS. KHUSHBOO PASARI	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.26	0.07	0.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.00	0.01
	(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, please specify	0.00	0.00	0.00
	Total (A)	0.27	0.07	0.34

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended on March 31, 2016.

Annexure 'C'

FORM NO. AOC-2

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

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

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

Solar Industries India Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2015-16. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

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

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

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts / arrangements / transactions: Not Applicable
- (c) Duration of the contracts / arrangements / transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: None

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

For and on behalf of the Board

Place: Nagpur
Date : May 16, 2016

(**Satyanarayan Nuwal**)
Chairman

Annexure 'D'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016.

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

FORM NO. MR-3

To,
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, 2016 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, 2016 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 By-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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- j) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

OTHER APPLICABLE LAWS:

- i. The Indian Boilers Act, 1923
- ii. The Standards of Weights and Measures (Enforcement) Act, 1985
- iii. The Explosives Act, 1884
- iv. The Environment (Protection) Act, 1986
- v. The Water (Prevention and Control of Pollution) Act, 1974

- vi. The Air (Prevention and Control of Pollution) Act, 1981
- vii. The Legal Metrology Act, 1999
- viii. The Public Liability Insurance Act, 1991

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

- i. Secretarial Standards I and II 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 altered its Memorandum of Association and has adopted a new set of Articles of Association in accordance with the provisions of Companies Act, 2013.

FOR **ANANT B KHAMANKAR & CO.**

ANANT KHAMANKAR

Date : May 16, 2016

Place : Mumbai

FCS No. – 3198

CP No. – 1860

Annexure 'E'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

OUR BROAD OBJECTIVES AS STATED IN OUR CSR POLICY INCLUDE:

Solar group as part its initiatives under CSR, has undertaken projects in the area of :-

- Promoting preventive health care and Ensuring Environment sustainability.
- Conservation of natural resources made its CSR contribution towards public through said projects.

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

Solar's investment in ensuring environment sustainability and promoting and preventive health care facility is in accordance with the objective of providing better environment and healthcare to the needy persons of the society.

1. 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: ₹ 108.46 Crores

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

The Company is required to spend ₹ 2.17 Crores towards CSR.

5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: ₹ 2.23 Crores
- b. Amount unspent, if any: Nil

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

(₹ In Crores)

SR. NO	PROJECTS / ACTIVITIES	SECTOR	LOCATION	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE	AMOUNT SPENT ON THE PROJECT OR PROGRAMS	AMOUNT SPENT: DIRECT
1.	Project: Promoting preventive health care Activity: Contribution for installation of MRI (Magnetic Resonance imaging) Machine	Medical	Central India Institute of Medical Science (CIIMS) Hospital, Bajaj Nagar, Nagpur	1.94	2.00	Direct
2.	Project: Promoting preventive health care Activity: Contribution for upgrading the General Wards of the Hospital.	Medical	Swami Vivekanand Medical Mission (Hospital), Khapri, Wardha Road, Nagpur (Maharashtra)	0.11	0.11	Direct
3.	Project: Ensuring Environment sustainability, conservation of natural resources Activity: Contribution made for Distribution of Improved Chulhas and Solar Cookers	Environment	Sawanga Village	0.02	0.02	Direct
4.	Project: Ensuring Environment sustainability, conservation of natural resources Activity: Contribution for Environment Stability and Ecological Balance	Environment	VANRAI FOUNDATION Rashtrabhasha Sankul, North Ambazari Road, Shankar Nagar Square, Nagpur	0.10	0.10	Direct
Total Amount Spent for the Financial Year 2015-16				2.17	2.23	

Our CSR Responsibility statement:-

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

For and on behalf of the Board

Place : Nagpur
Date : May 16, 2016

(**Satyanarayan Nuwal**)
Chairman,
Corporate Social Responsibility Committee

Annexure 'F'

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 have almost achieved zero discharge level.

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

The following steps have been taken to conserve the energy.

- To use only LED lamps for all expansion and New projects and replace existing CFL to LED whenever need arises.
- To buy IE-2 certified motors only.
- To purchase screw compressors instead of reciprocating compressors.
- Efficient steam condensate recovery system have been installed and the recovered hot water is fed to boiler water feed tank.

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

Form for Disclosure of Particulars with Respect to Form "A" Conservation of Energy

SR. NO.	PARTICULARS	2015 - 16	2014-15
1.	POWER AND FUEL CONSUMPTION		
	ELECTRICITY		
a.	Purchase unit (in Kwh.)	7639133 Unit	7245918 Unit
	Total Amount (₹ in Crores)	5.82	5.31
	Rate/Unit (in per Kwh.)	7.62 Per Unit	7.32 Per Unit
b.	Own Generation		
i.	Through Diesel Generator (in Kwh)	615807 Units	349054 Units
	Total Amount (₹ in Crores)	0.87	0.56
	Average Rate	14.17 Per Unit	16.05 Per Unit
ii.	Through steam Turbine/Generator unit/Units/Litreof fuel/Oil Gas Cost/Unit	N.A	N.A

SR. NO.	PARTICULARS	2015 - 16	2014-15
2	COAL/SOLID FUEL		
	Quantity M.T.	12684.875	10449.128
	Total Cost (₹ in Crores)	5.74	5.04
	Average rate/ MT.	4526.51	4819.22
3	FURNACE OIL		
	Quantity (LTR).	21280	35000
	Total Cost (₹ in Crores)	0.07	0.15
	Average rate/ (LTR).	31.26	42.96

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.
- Developed epoxy powder coated steel shells as a replacement of copper shells in detonators.
- Automation of mixing of Fuse Head composition.
- Products for Defence application:
 - i. Development of Igniter bags for Higher & Lower zone.
 - ii. Development of intermediate for MMHG.
 - iii. Development of Invar main & precursor warhead.
 - iv. Development of PINAKA MARK-I propellant.
 - v. Development of AKASH Booster.
 - vi. Development of PINAKA MARK-II propellant.
- 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 in Packaged, Bulk Explosives and Accessories.
- Development of high strength shock tubes.
- 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.
- Change of material of construction from pure copper to powder coated steel has resulted in reducing the consumption of precious metal (copper) and cost reduction.
- 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:

(₹ in Crores)

SR. NO	PARTICULARS	2015 - 16	2014-15
1.	Capital	0.62	0.11
2.	Recurring	2.39	2.52
3.	TOTAL	3.01	2.63
4.	R&D Expenditure percentage of Turnover	0.28%	0.26%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Crores)

	2015 - 16	2014-15
a. Earnings in Foreign Exchange		
Export of goods calculated on:		
FOB basis	78.18	85.82
CIF basis value	89.86	94.76
b. Remittances in Foreign Exchange:		
On account of Bank Interest	6.12	5.59
On account of Sales Commission	0.39	1.61
On account of Sales Promotion	0.93	1.02
On account of Other Expenses	8.09	13.41

For and on behalf of the Board

Place : Nagpur
Date : May 16, 2016

(Satyanarayan Nuwal)
Chairman

Report on Corporate Governance

INTRODUCTION:

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

SOLAR 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
- Policy on Related Party Transactions
- Policy on Disclosure of Material Events
- Policy on Preservation of Documents

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 total 10 Directors of which 5 are Executive Directors and 5 are Non-Executive Independent Directors including a woman director. The composition of the Board is in conformity with Regulation 17(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table 1: The composition of Board of Directors as on March 31, 2016 is as follows:

CATEGORY	NO. OF DIRECTORS	PERCENTAGE
Executive Directors including Chairman	05	50
Non-Executive/ Independent Directors	05	50
Grand Total	10	100

Report on Corporate Governance

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.

Disclosures

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

Separate Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held 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 familiarize 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.

The details of familiarization programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link:

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

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 Regulation 17(7) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- Minutes of Board meetings of unlisted subsidiary companies
- Board remuneration policy and individual remuneration packages of Directors.
- Information on recruitment and remuneration of senior including appointment or removal of Chief Financial Officer and the Company Secretary.
- 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 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
- 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
- Compliances of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board of Directors of the Company is 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.

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.

Report on Corporate Governance

The notice of Board Meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Nagpur at the registered office of the Company. The Agenda and Pre-reads are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings.

MEETINGS DURING THE YEAR:

During the year 2015-16, the Board of Directors met five times i.e. May 25, 2015, August 10, 2015, October 29, 2015, February 04, 2016 and March 04, 2016. The gap between any two meetings has been less than four months.

ATTENDANCE RECORD OF DIRECTORS

Table: 2 Composition of the Board and attendance records of Directors as on March 31, 2016

SR. NO	NAME OF THE DIRECTOR	CATEGORY	BOARD MEETING	ATTENDANCE AT LAST AGM
1.	Shri Satyanarayan Nuwal DIN: 00713547	Chairman and Executive Director	5/5	Yes
2.	Shri Kailashchandra Nuwal DIN: 00374378	Vice Chairman and Executive Director	4/5	Yes
3.	Shri Manish Nuwal DIN: 00164388	Managing Director and CEO	5/5	Yes
4.	Shri Roomie Dara Vakil DIN: 00180806	Executive Director	5/5	Yes
5.	Shri Anil Kumar Jain # DIN: 03532932	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	4/5	Yes
8.	Shri Ajai Nigam DIN: 02820173	Non-Executive Independent Director	4/5	Yes
9.	Shri Amrendra Verma DIN: 00236108	Non-Executive Independent Director	4/5	No
10.	Smt. Madhu Vij DIN: 00025006	Non-Executive Independent Director	4/5	Yes
11.	Shri Kundan Singh Talesra* DIN: 00168195	Executive Director	1/1	Yes
12.	Shri Satish Chandra Gupta^ DIN: 00025780	Non-Executive Independent Director	1/1	No

Note:

* Shri Kundan Singh Talesra ceased to be a Director w.e.f May 25, 2015

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

^ Satish Chandra Gupta ceased to be a Director w.e.f May 28, 2015

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, 2016

SR. NO.	NAME OF 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	07	-	-
2	Shri Kailashchandra Nuwal DIN: 00374378	Executive Director	08	-	01
3	Shri Manish Nuwal DIN: 00164388	Executive Director and CEO	09	-	02
4	Shri Roomie Dara Vakil DIN: 00180806	Executive Director	01	-	01
5	Shri Anil Kumar Jain DIN: 03532932	Executive Director	04	-	-
6	Shri Anant Sagar Awasthi DIN: 00228429	Non-Executive Independent Director	02	02	-
7	Shri Dilip Patel DIN: 00013150	Non-Executive Independent Director	07	06	02
8	Shri Ajai Nigam DIN: 02820173	Non-Executive Independent Director	01	-	-
9	Shri Amrendra Verma DIN: 00236108	Non-Executive Independent Director	07	-	03
10	Smt. Madhu Vij DIN: 00025006	Non-Executive Independent Director	05	-	02

Notes:

- Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 25 Companies and Foreign Companies.
- Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Grievance Committee.
- None of the directors were members in more than 10 committees and had not held chairmanship in more than five committees across all companies in which he was a director as on March 31, 2016 and none of them have acquired any disqualification as per Section 164(2) (g) of the Companies Act, 2013.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Table 4 discloses the relationship executive directors with other directors of the company.

Table 4: Disclosure of relationships between directors inter-se.

SR.NO.	EXECUTIVE DIRECTORS	RELATIONSHIP WITH OTHER DIRECTORS
1.	Shri Satyanarayan Nuwal	Brother of K. C Nuwal/Father of Manish Nuwal
2.	Shri Kailashchandra Nuwal	Brother of S. N Nuwal/ uncle of Manish Nuwal
3.	Shri Manish Nuwal	Son of S. N Nuwal/ Nephew of K. C Nuwal
4.	Shri Roomie Dara Vakil	-----
5.	Shri Anil Kumar Jain	-----

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DIRECTORS SHAREHOLDING

Table 5 provides details of equity shares held by each of the Directors in their individual name as on March 31, 2016.

Table 5: Directors Shareholding as on March 31, 2016

SR. NO.	NAME OF DIRECTORS	NO. OF EQUITY SHARES HELD
1.	Shri Satyanarayan Nuwal	4068739
2.	Shri Kailashchandra Nuwal	3547819
3.	Shri Manish Nuwal	862813
4.	Shri Roomie Dara Vakil	100
5.	Shri Anil Kumar Jain	Nil

Note:

None of the Non-executive Independent Directors of the company held any Equity Shares of the Company during the financial year ended March 31, 2016.

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. The updated Code incorporates the duties of Independent Directors. This code has been posted on the web-site of the Company at www.solargroup.com.

All board members and senior management personnel have affirmed compliance with the code. The declaration to this effect is signed by Shri Manish Nuwal, Managing Director and Chief Executive Officer is given in this annual report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and CSR Committee. An Evaluation policy have been prepared to evaluate the performance of individual Directors including the Chairman of the Board, Independent Directors, Chief Financial Officer, Company Secretary 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 subcommittees 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 powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

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

- Unrestricted access to the Company's books and records.
- To seek information from any employee of the Company including the management of the Company and its external advisors.
- To investigate any activity within its terms of reference.
- 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 obtain the advice of lawyers, accountants or other professionals / consultants at the Committee's sole discretion.
- To have adequate resources and other authority necessary to discharge its duties and responsibilities.
- To discuss any related issues with the internal and statutory auditors and the management of the company.

The primary roles & responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process and the disclosure of its financial information.
2. Recommend to the Board, the appointment, reappointment and the replacement or removal of statutory auditors, including cost auditors, and their fees.
3. Approve payment to statutory auditors, including cost auditors for any other services rendered by them.
4. Review with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions.
 - g. Qualifications in draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval.
6. The Audit Committee shall review transactions with related parties for giving omnibus approval.
7. The Audit Committee shall review the related party transactions on quarterly basis.
8. Reviewing with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
10. Approval or any subsequent modification of transactions of the Company with related parties. Scrutiny of inter-corporate loans and investments.

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11. Valuation of undertakings or assets of the Company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
14. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
15. Discussion with internal auditors, any significant findings and follow-up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
17. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism.
20. Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate.
21. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
22. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
23. The Committee shall mandatorily review the following information
 1. The Management Discussion and Analysis of financial condition and results of operations.
 2. Statement of significant related party transactions (as defined by the Audit Committee). Submitted by management
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses
 5. The appointment, removal and terms of remuneration of internal auditors.
 6. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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, 2016 is October 30, 2016.

The Chairman of the Audit Committee Shri Dilip Patel attended the last Annual General Meeting held on September 09, 2015.

M/s Patel Madan Malpani & Co. and M/s Ekbote Deshmukh & Co. were the firms those performed the Internal Audit function of the Group for the year 2015-2016.

MEETINGS DURING THE YEAR

The Committee met four times during the year under review. The Committee meetings were held on May 25, 2015, August 10, 2015, October 29, 2015 and February 04, 2016. 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 and Attendance of Audit Committee as on March 31, 2016

SR. NO.	NAME OF DIRECTOR	DESIGNATION	NUMBER OF MEETINGS ATTENDED
1.	Shri Dilip Patel	Chairman	4/4
2.	Shri Manish Nuwal	Member	4/4
3.	Shri Amrendra Verma [^]	Member	3/3
4.	Smt. Madhu Vij	Member	4/4
5.	Shri Satish Chandra Gupta [*]	Member	1/1

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

Notes:

* Shri Satish Chandra Gupta ceased to be a member of the Audit Committee w.e.f May 28, 2015.

[^] Shri Amrendra Verma is appointed as the member of the Audit Committee in place of Shri Satish Chandra Gupta w.e.f May 28, 2015.

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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 AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

This Committee has been vested with authority to inter alia recommend nominations for Board Membership, develop and recommend policies with respect to the composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experiences, track record and integrity and establish Director retirement policies and appropriate succession plans and determining overall remuneration policies of the Company.

The principal scope / role also include review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same.

The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board. 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.

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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 Management 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 Management Personnel.
8. Devising a policy on diversity of board of directors.
9. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

MEETINGS DURING THE YEAR:

The Committee met four times during the year under review. The Committee meetings were held on May 25, 2015, August 10, 2015, October 29, 2015 and February 04, 2016. The gap between any two meetings has been less than four months.

COMPOSITION AND ATTENDANCE

The Attendance at the meetings was as under:

Table 7: Composition of Nomination and Remuneration Committee as on March 31, 2016

SR.NO	NAME OF DIRECTOR	DESIGNATION	NUMBER OF MEETINGS ATTENDED
1.	Shri Anant Sagar Awasthi	Chairman	4/4
2.	Shri Dilip Patel	Member	4/4
3.	Shri Ajai Nigam#	Member	2/3
4.	Shri Satish Chandra Gupta*	Member	1/1

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

Notes:

*Shri Satish Chandra Gupta ceased to be member of the Nomination and Remuneration Committee and w.e.f May 28, 2015.

Shri Ajai Nigam was appointed as the member of Nomination and Remuneration Committee in place of Shri Satish Chandra Gupta w.e.f May 28, 2015.

REMUNERATION OF DIRECTORS

(A) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission as approved by members for their invaluable services to the Company.

(B) 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's 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

The Independent Director shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder: An Independent Director shall be entitled to receive sitting

fees for each meeting of the Board or 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 2015-2016 is as below:

Table 8: Remuneration paid to Executive Directors during the year 2015-2016

SR. NO	EXECUTIVE DIRECTORS	SALARY (₹ IN CRORES)	COMMISSION (₹ IN CRORES)	GRATUITY (₹ IN CRORES)
1.	Shri Satyanarayan Nuwal	0.75	1.50	0.42
2.	Shri Kailashchandra Nuwal	0.75	1.50	0.32
3.	Shri Manish Nuwal	0.75	1.50	0.23
4.	Shri Roomie Dara Vakil	0.25	-	0.01
5.	Shri Anil Kumar Jain	0.15	-	0.01
6.	Shri Kundan Singh Talesra*	0.05	-	0.03

Note:

* Shri Kundan Singh Talesra ceased to be a Director w.e.f May 25, 2015

Non-Executive Independent Directors Remuneration:

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

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the year 2015-16.

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 2015-2016 is as below:

Table 9: Remuneration paid to Non-Executive Directors during the year 2015-16

SR.NO	NON-EXECUTIVE DIRECTORS	SITTING FEES (IN ₹)
1.	Shri Anant Sagar Awasthi	200000
2.	Shri Dilip Patel	180000
3.	Shri Amrendra Verma	150000
4.	Shri Ajai Nigam	140000
5.	Smt. Madhu Vij	160000
6.	Shri Satish Chandra Gupta*	45000

Notes:

*Shri Satish Chandra Gupta ceased to be a Director w.e.f May 28, 2015

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor complaints and recommends measures for overall improvement in the quality of investor services.

This Committee will consider and resolve the grievances of security holders of the company such as;

1. 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.
2. Monitor and review any investor complaints received by the Company or through SEBI,

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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.

3. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
4. 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
5. Perform such other functions as may be necessary or appropriate for the performance of its duties

MEETINGS DURING THE YEAR:

The Committee met four times during the year under review. The Committee meetings were held on May 25, 2015, August 10, 2015, October 29, 2015 and February 04, 2016. The gap between any two meetings has been less than four months.

COMPOSITION AND ATTENDANCE

The Attendance at the meetings was as under:

Table 10: Composition and attendance of Stakeholders Relationship Committee as on March 31, 2016

SR. NO	NAME OF DIRECTOR	DESIGNATION	NUMBER OF MEETINGS ATTENDED
1.	Shri Anant Sagar Awasthi	Chairman	4/4
2.	Shri Kailashchandra Nuwal	Member	3/4
3.	Shri Roomie Dara Vakil	Member	4/4
4.	Shri Kundan Singh Talesra*	Member	1/1

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

Note:

*Shri Kundan Singh Talesra ceased to be a Director 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 11: Nature of Complaints and redressal status as on March 31, 2016

SR. NO.	NATURE OF COMPLAINT	COMPLAINTS RECEIVED	COMPLAINTS PROCESSED	COMPLAINTS PENDING
1.	Non Receipt of Dividend / Interest / Redemption Warrant	3	3	0
2.	Non Receipt of Annual Report	1	1	-
3.	Others	-	-	-

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under the Companies Act 2013, a formal Committee of the Board was constituted in 2014 to oversee and give direction to the Company's CSR activity.

Terms of Reference

- i. To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013
- ii. To review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- iii. To ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.
- iv. To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- v. To coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.
- vi. To form and delegate authority to subcommittees when appropriate.

vii. To report regularly to the Board.

Company has framed the CSR Policy which is available at its website: <http://solargroup.com/uploads/investorpolices/CSR.pdf>

MEETINGS DURING THE YEAR:

The Committee met five times during the year under review. The Committee meetings were held on May 25, 2015, August 10, 2015, October 29, 2015, February 04, 2016 and March 17, 2016. The gap between any two meetings has been less than four months.

COMPOSITION OF CSR COMMITTEE

Table 12: Composition and attendance of Corporate Social Responsibility Committee as on March 31, 2016

SR.NO	NAME OF DIRECTOR	DESIGNATION	NUMBER OF MEETINGS ATTENDED
1.	Shri Satyanarayan Nuwal	Chairman	5/5
2.	Shri Manish Nuwal	Member	5/5
3.	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 the Agenda for the succeeding meeting and adopted and taken on record.

SUBSIDIARIES

All Subsidiary Companies are managed with their

THIRD LAYER GOVERNANCE BY SHAREHOLDERS

A) GENERAL BODY MEETINGS

Table 13: Information of last three Annual General Meetings (AGMs) held:

YEAR	LOCATION	DATE & TIME	SPECIAL RESOLUTION PASSED
20 th AGM 2015	Hotel Tuli Imperial, Central Bazar, Ramdaspath, Nagpur 440010	September 09, 2015 at 12.30 P.M	None
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

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.

In terms of Regulation 16 (1) (c) SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at : <http://solargroup.com/uploads/investors/policies/PDMS.pdf>

RECONCILIATION OF SHARE CAPITAL AUDIT

As per Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, a qualified practicing Company Secretary Shri Tushar Pahade has carried out reconciliation of 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.

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- 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**
- d) During the year under review, the Company has conducted the postal ballot process and has passed the following resolution:
1. Special Resolution u/s 13 of the Companies Act, 2013 for amendment(s) in Memorandum of Association of the Company
 2. Special Resolution u/s 5 and 14 of the Companies Act, 2013 for Adoption of New Set of Articles of Association of Company Inter-Alia pursuant to the companies Act, 2013
- e) During the year under review, no Extraordinary General Meeting of the members of the company was convened but the date of announcement of result of Postal Ballot which is October 03, 2015 was treated as Extraordinary General Meeting.

POSTAL BALLOT

During the year, the Company approached the shareholders through postal ballot, in August 2015. A summary of the voting result of the above-mentioned postal ballot is as follows:

Date of Postal Ballot Notice: August 10, 2015

Date of declaration of result: October 3, 2015

Voting period: September 2, 2015 to October 1, 2015

Table 14 : A summary of the voting result of the postal ballot :

NAME OF RESOLUTION	TYPE OF RESOLUTION	NO OF VOTES POLLED (POSTAL BALLOT FORMS)	NO OF VOTES POLLED (E-VOTING)	VOTES CAST IN FAVOR		VOTES CAST AGAINST	
				NO OF VOTES	%	NO OF VOTES	%
Alteration of the Memorandum of Association of the Company.	Special Resolution	4,70,343	1,53,46,901	1,58,17,201	100	43	-
Approving the adoption of new set of Articles of Association.	Special Resolution	4,70,343	1,53,46,901	1,58,16,856	99.998	388	0.002

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above through a postal ballot.

Shri Tushar Pahade of M/s. T S. Pahade & Associates, Practicing Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 along with the related Rules, the Company provides electronic voting (e-voting) facility to all its members.

The Company engages the services of CDSL for the purpose of providing E-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman. The results are also displayed on the Company website: www.solargroup.com besides being communicated to the Stock Exchanges. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Quarterly Results

Quarterly results of the FY 2015-16 were 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 of the company i.e. www.solargroup.com

Presentations to Institutional investors or analysts

During the year 2015-16, 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 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 Chairmen's Speech is distributed to the entire shareholder's at the Annual General Meeting. The same is also placed on the website of the company i.e. 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 AND DISCLOSURES

1. Annual General Meeting

Annual General Meeting for the financial year 2015-16 is scheduled to be held on **Thursday September 22, 2016**. 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 a proxy form and send it to us.

The last date for receipt of proxy forms by us is **September 20, 2016** before 12.30 p.m.

Report on Corporate Governance

2. Financial Calendar

Our Tentative calendar for declaration of results for the financial year 2016-2017 is given below

Table 15: Financial results schedule for the year 2016-2017

PARTICULARS	TENTATIVE SCHEDULE
Financial Reporting for the Quarter ending June 30, 2016	On or before August 15, 2016
Financial Reporting for the Quarter ending September 30, 2016	On or before November 15, 2016
Financial Reporting for the Quarter ending December 31, 2016	On or before February 15, 2017
Financial Reporting for the Year/Quarter ending March 31, 2017	On or before May 30, 2017
Annual General meeting for the Year ending March 31, 2017	September, 2017

For the year ended on March 31, 2016 results were announced on May 16, 2016.

For the Quarter ended on June 30, 2016 results will be announced in August, 2016

3. Dividend

The board had declared and paid two interim dividends during the year. The first interim dividend paid was ₹ 9/- per share and the second interim dividend paid was ₹13.50 per share. The total dividend for the year ended March 31, 2016 aggregate to ₹ 22.50 per share on 1,80,98,011 equity shares of face value of ₹ 10/- each. The directors do not recommend any further dividend for the year 2015-16.

4. Corporate Identity Number (CIN)

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

5. Listing on Stock Exchanges

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

Table 16 : Listing Details

SR.NO.	NAME OF STOCK EXCHANGE	STOCK CODE/ SCIP CODE	ADDRESS	ISIN NUMBER FOR NSDL/CDSL (DEMATERIALIZED 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.

6. Market Price Data

The shares of the Company were listed on NSE and BSE on April 3, 2006 share price data from 01.04.2015 to 31.03.2016 is as follows:

Table 17: Market Price data of Solar Industries India Limited

MARKET PRICE DATA OF BSE & NSE STOCK EXCHANGES 2015-2016								
MONTH	BOMBAY STOCK EXCHANGE				NATIONAL STOCK EXCHANGE			
	SHARE PRICE		SENSEX POINTS		SHARE PRICE		S & P CNX NIFTY POINTS	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
APRIL'2015	3890.00	3260.00	29094.61	26897.54	3880.05	3251.00	8844.80	8144.75
MAY'2015	3600.05	3250.00	28071.16	26423.99	3599.00	3255.10	8489.55	7997.15
JUNE'2015	3875.00	3376.80	27968.75	26307.07	3820.00	3351.10	8467.15	7940.30
JULY'2015	4324.00	3650.00	28578.33	27416.39	4301.05	3625.00	8654.75	8315.40
AUG'2015	4000.00	3271.15	28417.59	25298.42	4027.05	3282.00	8621.55	7667.25
SEP'2015	3650.00	3300.00	26471.82	24833.54	3675.00	3300.00	8055.00	7539.50
OCT'2015	3560.00	3100.00	27618.14	26168.71	3563.95	3271.00	8336.30	7930.65
NOV'2015	3447.00	3230.00	26824.30	25451.42	3420.00	3201.00	8116.10	7714.15
DEC'2015	3600.00	3152.50	26256.42	24867.73	3588.00	3151.05	7979.30	7551.05
JAN'2016	3740.05	2979.00	26197.27	23839.76	3750.05	2989.95	7972.55	7241.50
FEB'2016	3352.65	2850.00	25002.32	22494.61	3375.00	2835.30	7600.45	6825.80
MAR'2016	3522.45	3060.00	25479.62	23133.18	3520.00	3000.05	7777.60	7035.10

7. 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

8. Share Transfer System

Share transfer and related operations for the Company, is conducted by M/s.Link Intime India Pvt.Limited 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.

Report on Corporate Governance

9. Distribution of shares and shareholding pattern as on March 31, 2016

Table 18: Shareholding pattern as on March 31, 2016

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	7562	96.6884	286696	1.5841
5001 – 10000	87	1.1124	64564	0.3567
10001 – 20000	44	0.5626	66330	0.3665
20001 – 30000	19	0.2429	48275	0.2667
30001 – 40000	13	0.1662	45456	0.2512
40001 – 50000	13	0.1662	57678	0.3187
50001 – 100000	20	0.2557	137569	0.7601
100001– *****	63	0.8055	17391443	96.0959
TOTAL	7821	100	18098011	100.00

Table 19: Shareholding Pattern (Category wise) as on March 31, 2016

SI. NO	CATEGORY	NO. OF SHAREHOLDERS	TOTAL SHARES	% TOTAL SHARE HOLDING
1	Promoters	15	13208207	72.9815
2	Resident Individuals(public)	7016	568238	3.1398
3	Foreign Institutional Investors	6	189139	1.0451
4	Hindu Undivided Family	247	53000	0.2928
5	Mutual Funds	48	3298463	18.2256
6	Clearing Members	82	2886	0.0159
7	Other Bodies Corporate	199	76277	0.4215
8	Non Resident Indians	133	6600	0.0365
9	Non Resident Indians(Non Repatriable)	62	8875	0.0490
10	Non Nationalised Banks	2	378	0.0021
11	G I C & Its Subsidiaries	1	482419	2.6656
12	Foreign Portfolio Investor(Corporate)	10	203529	1.1246
	TOTAL	7821	18098011	100

10. 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).

18098000 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 20 shows the details of such allottees.

In accordance with Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has identified 4 folios comprising of 134 equity shares of Face Value of ₹10/- each, which are unclaimed as on March 31, 2016. 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 20: Details of shares lying in Demat Escrow Account

SR. NO.	APPLNO	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, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

Table 21: Major 10 Shareholders as on March 31, 2016 (other than promoters)

SR. NO.	NAME	HOLDING	PERCENTAGE
1	HDFC Trustee Company Ltd - A/C Hdfc Mid – Cap-opportunities Fund	1097572	6.0646
2	SBI Emerging Businesses Fund	1083131	5.9848
3	ICICI Prudential Life Insurance Company Ltd	482419	2.6656
4	Kotak Select Focus Fund	271046	1.4977
5	DSP Blackrock Micro Cap Fund	258329	1.4274
6	Tata Balanced Fund	195100	1.0780
7	Kotak Mahindra (UK) Ltd A/C India Midcap (Mauritius) Ltd	159698	0.8824
8	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Midcap Fund	144309	0.7974
9	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	120972	0.6684
10	Aperios Emerging Connectivity Master Fund Limited	113402	0.6266

11. Plant Locations as on May 16, 2016

Table 22: Plant Locations as on May 25, 2016

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.

Report on Corporate Governance

SR.NO	UNIT	ADDRESS	CITY
4	Solar Industries India Limited Korba	Kh. No.5 Village-Mudapur, Tahsil-katgora,	Korba, Chattisgarh.
5	Solar Industries India Limited Ramgarh	Plot No. 967 & 1156, Mouza Manua, Tahsil-Ramgarh Cant.,	Hazribagh, Jharkhand.
6	Solar Industries India Limited Tadali	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, PH.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 Barughattu	Plot No.380(p), Khata no. 48 Mauza Barughattu	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	Tahsil 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	Survey No. 117, Venkatesh Khani, Kothagudem (M),	Dist-Khammam (AP) -507103
18	Solar Industries India Limited Kota	Kh. No. 132 & 137, Vill-Dingsi, The - Ramganjmandi	Dist- Kota (Rajasthan)
19	Solar Industries India Limited Barbil	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)

12. Voting through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013 and the Rules made there under, every listed company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with 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 **Monday, September 19, 2016** (10.00 a.m.) to **Wednesday, September 21, 2016** (5:00 p.m.). The Board has appointed Shri Tushar Pahade of M/s T. S. Pahade & Associates, Practising Company Secretaries as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the 21st Annual General Meeting and also placed on the website of the Company.

13. 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 id: investor.relations@solargroup.com

CIN: L74999MH1995PLC085878

14. 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 (2007-08) of ₹ 17,860/-

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 9, 2015 (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 financial year 2008-09 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Table 23: details of unclaimed dividend

FINANCIAL YEAR	DATE OF DECLARATION OF DIVIDEND	UNCLAIMED AMOUNT AS ON MARCH 31, 2016	LAST DATE FOR CLAIMING UNPAID DIVIDEND
2008-09 (Final)	17 th September, 2009	50,985	16 th September, 2016
2009-10 (Interim)	27 th January, 2010	39,874	26 th January, 2017
2009-10 (Final)	23 rd August, 2010	56,758	22 nd August, 2017
2010-11 (Interim)	29 th October, 2010	41,724	28 th October, 2017
2010-11 (Final)	10 th August, 2011	11,652	09 th August, 2018
2011-12 (Interim)	11 th November, 2011	25,400	10 th November, 2018

Report on Corporate Governance

FINANCIAL YEAR	DATE OF DECLARATION OF DIVIDEND	UNCLAIMED AMOUNT AS ON MARCH 31, 2016	LAST DATE FOR CLAIMING UNPAID DIVIDEND
2011-12 (Final)	11 th August, 2012	40,390	10 th August, 2019
2012-13 (Interim)	05 th November, 2012	13,780	04 th November, 2019
2012-13 (Final)	11 th September, 2013	47,904	10 th September, 2020
2013-14 (Interim)	28 th October, 2013	42,550	27 th October, 2020
2013-14 (Final)	04 th September, 2014	12,285	3 rd September, 2021
2014-15 (Interim)	10 th November, 2014	21,088	9 th November, 2021
2014-15 (Final)	09 th September, 2015	37,431	08 th September, 2022
2015-2016 (First Interim)	29 th October, 2015	22,824	28 th October, 2022
2015-2016 (Second Interim)	04 th March, 2016	912,113	03 rd March, 2023

FOURTH LAYER GOVERNANCE OF MANAGEMENT PROCESS

Sebi (Listing Obligations and Disclosure Requirements) Regulations, 2015 Compliances

Your Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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>

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.

Whistle Blower Policy/Vigil Mechanism

The Company has formulated 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 Regulation 4 (2) (d) SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 with stock exchanges.

The Company promotes ethical behavior in all its business activities and has 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.

The Whistle Blower Policy is posted on the website of the Company at the link <http://solargroup.com/uploads/investors/policies/WBP.pdf>

Disclosure Related to Commodity Price Risks and Commodity Hedging Activities

During the year 2015-2016, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 35 (a) to the Annual Accounts

Disclosure of Non-Compliance with Corporate Governance Requirement

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPLIANCE REPORT ON NON-MANDATORY REQUIREMENTS

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 website: www.solargroup.com. We have not sent half yearly results to the shareholders in the financial year 2015-16.

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, Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interests of the Company.

5. Separate posts of Chairperson and CEO

The position of the Chairman of the Board of Directors and the CEO are separate.

6. Reporting of Internal Auditor

The Internal Auditors of the Company report to the Audit Committee in all functional matters.

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 Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2016. 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 this certificate is annexed to the report on Corporate Governance Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2015-16, and will be sent to the stock exchanges along with this annual report to be filled by the Company.

Declaration by Chief Executive Officer (CEO)

I, Manish Satyanarayan Nuwal, Managing Director and Chief Executive Officer of Solar Industries India Limited (SILL) hereby confirm pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that:

- The Board of Directors of SILL 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, 2016.

For **Solar Industries India Limited**

Place : Nagpur
Date : May 16, 2016

(Manish Satyanarayan Nuwal)
Managing Director & Chief Executive Officer

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

The Board of Directors
Solar Industries India Limited

We have reviewed financial statements and the cash flow statements of Solar Industries India Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:

- 1) i. These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) We are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit committee of:
 - i. significant changes in internal control over financial reporting during the year,
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Solar Industries India Limited**

(Manish Nuwal)
Managing Director & Chief Executive Officer

For **Solar Industries India Limited**

(Nilesh Panpaliya)
Chief Financial Officer

Place : Nagpur
Date : May 16, 2016

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, 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period April 01, 2015 to November 30, 2015 and as per Regulation 15(2) & other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Listing Regulations) for the period December 01, 2015 to March 31, 2016.

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 the provisions as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

For and on behalf of

Gandhi Rathi & Co
Chartered Accountants

(C.N.Rathi)

Partner

M.No. 39895

Firm Registration No.103031W

Place : Nagpur

Date: May 16, 2016

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, 2016, 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 auditors consider 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's 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 31st March, 2016, 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, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
- ii. The Company has long-term contracts including derivative contracts for which there were no 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 - Refer Note 5 to the financial statements.

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

C. N. Rathi

Partner

Membership No. 39895

Place : Nagpur

Dated : May 16, 2016

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016, 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 have been noticed on such verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii) The inventories of finished goods, work in process, stores, spare parts and raw materials have been physically verified by the Management during the year at reasonable intervals. No such material discrepancies have been noticed.
 - iii) The Company has granted loans to eight 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 term and condition of the grant of such loan are not prejudicial to company's interest. 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.
 - b) There are no overdue amounts 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, the Company has given guarantee for loans taken by its wholly owned overseas subsidiary from bank and the terms and conditions thereof are not prejudicial

to the interest of the company. The provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

- v) The Company has not accepted deposits hence not required to comply directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed.
- 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, 2016 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 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 CRORES)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
Service Tax Act	Service Tax	0.06	Feb'2005 to Mar'2006	Commissioner (Appeal)
Central Excise Act,1944	Excise Duty	0.29	Apr'1997 to Mar'2000	CESTAT, Mumbai
Central Sales Tax Act,1956	CST	2.40	Apr'2009 to March 2010	Sales-Tax Tribunal, Mumbai
Central Sales Tax Act,1956	CST	2.45	Apr'2010 to March 2011	Sales-Tax Tribunal, Mumbai
Central Sales Tax Act,1956	CST	2.44	Apr'2011 to March 2012 **	Sales-Tax Tribunal, Mumbai

**The company is in the process of filing as appeal before Sales Tax Tribunal, Mumbai.

- viii) 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, bank, government or debenture holder.
- ix) 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 those were obtained and company did not raise any amount by way of initial public offer or further public offer.
- x) 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 been informed of such cases by the Management.
- xi) As per the information provided managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly the comments referred to in clause are not applicable to the Company.
- xiii) All transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and

the details have been disclosed in the Financial Statements etc., as required by the accounting standards.

- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Nagpur
Dated : May 16, 2016

C. N. Rathi
Partner
Membership No. 39895

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Solar Industries India Limited ('the Company') as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the

Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Nagpur
Dated : May 16, 2016

C. N. Rathi
Partner
Membership No. 39895

Balance Sheet

as at 31st March, 2016

(₹ In Crores)

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUND			
Share Capital	1	18.10	18.10
Reserves and Surplus	2	567.75	505.50
		585.85	523.60
NON-CURRENT LIABILITIES			
Long -Term Borrowings	3	96.67	78.43
Deferred Tax Liabilities (net)	4	24.94	24.54
Other Long-Term Liabilities	5	0.14	0.04
Long-Term Provisions	6	0.00	0.68
		121.75	103.69
CURRENT LIABILITIES			
Short-Term Borrowings	7	56.96	60.22
Trade Payables	8	65.70	38.74
Other Current Liabilities	9	58.18	60.98
Short-Term Provisions	10	12.05	5.38
		192.89	165.32
TOTAL		900.49	792.61
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11	351.07	287.64
Capital Work-In-Process	11	12.13	20.34
Non-Current Investments	12	59.47	58.37
Long-Term Loans and Advances	13	118.07	71.18
Other Non Current Assets	14	37.99	36.82
		578.73	474.35
CURRENT ASSETS			
Current Investments	15	5.37	0.23
Inventories	16	69.46	46.30
Trade Receivables	17	116.32	115.56
Cash and Bank Balances	18	6.50	18.99
Short Term Loans and Advances	19	53.53	59.15
Other Current Assets	20	70.58	78.03
		321.76	318.26
TOTAL		900.49	792.61
Significant Accounting Policies			
Notes on Financial Statements	1 to 20		

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

As per our Report of even date

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

C. N. Rathi
Partner
M. NO. 39895
Firm Reg.No. 103031W

S. N. Nuwal
Chairman &
Executive Director

For and on behalf of the Board

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

Statement of Profit and Loss

for the year ended 31st March, 2016

(₹ In Crores, except equity share and per equity share data)

PARTICULARS	NOTE	31.03.16	31.03.15
REVENUES			
Revenue From Operations	21	10 89.50	1014.75
Other Income	22	10.19	19.83
TOTAL REVENUE		1099.69	1034.58
EXPENSES			
Cost of materials consumed	23	640.97	599.86
Purchases of Stock in Trade		61.21	55.54
Changes in inventories	24	-2.98	2.37
Employee Benefit Expenses	25	43.41	40.42
Finance Costs	26	7.92	7.24
Depreciation and amortization expenses		17.72	17.66
Other Expenses	27	164.54	161.14
TOTAL EXPENSES		932.79	884.23
PROFIT BEFORE EXCEPTIONAL ITEMS			
Less: Exceptional Items	28	0.00	10.00
PROFIT BEFORE TAX		166.90	140.35
Tax Expenses :			
Current Tax		55.79	22.37
MAT Credit		0.00	2.65
Deferred Tax		0.41	7.33
Prior Period Taxes		-0.56	0.08
		55.64	32.43
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATION		111.26	107.92
PROFIT FOR THE YEAR		111.26	107.92
EARNING PER EQUITY SHARES (BASIC & DILUTED) (₹)			
Number of shares used in computing earning per share (face value ₹ 10 each)		18098011	18098011
Significant Accounting Policies	21 to 36		

The accompanying notes form an integral part of the standalone 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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

Cash Flow Statement

for the year ended 31st March, 2016

(₹ In Crores)

PARTICULARS	2015-16	2014-15
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	166.90	140.35
Adjustments for :		
Depreciation	17.72	17.66
Interest & Financial Expense	7.92	7.24
Dividend Income	-0.01	-15.01
Interest Income	-6.94	-4.10
Provision For Advances Written Off	0.00	10.00
	18.69	15.79
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	185.59	156.14
(Increase)/Decrease in Sundry Debtors	-0.76	24.31
(Increase)/Decrease in Inventories	-23.16	24.28
(Increase)/Decrease in Loans & Advances	5.62	-22.80
(Increase)/Decrease in Other Current Assets	7.45	4.35
Increase/(Decrease) in Trade payables	26.96	1.92
Increase/(Decrease) in Other Current Liabilities	-2.80	-8.67
Increase/(Decrease) in Short Term Provision	6.66	-4.77
	19.97	18.62
CASH GENERATED FROM OPERATIONS	205.56	174.76
Income Tax Paid	55.79	25.02
Prior period taxes	-0.56	0.08
	55.23	25.10
NET CASH GENERATED BY OPERATING ACTIVITIES	150.33	149.66
B. CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Tangible Assets	-81.15	-36.55
(Increase) / Decrease in Capital Work-In-Progress	8.21	-12.20
Increase in Non-current investment	-1.10	8.41
Increase in Other Non current Asset	-1.17	-21.25
Dividend Income	0.01	15.01
(Increase)/Decrease in Current Investment	-5.14	2.28
Interest Income from Investing Activities	3.78	1.24
Provision For Advances Written Off	0.00	-10.00
NET CASH USED IN INVESTING ACTIVITIES	-76.56	-53.06

(₹ In Crores)

PARTICULARS	2015-16	2014-15
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings	-43.87	-26.78
Reduction in Working Capital Loans	40.61	-91.33
Increase in Long-term loans and Advances	-46.89	12.93
Increase/(Decrease) in Long Term Borrowing	18.24	26.01
Increase/(Decrease) in Long Term Provisions	-0.68	-0.13
Increase/(Decrease) in Other Long Term Liabilities	0.10	0.00
Interest Income from Financing Activities	3.16	2.86
Interest & Financial Expense	-7.92	-7.24
Interim / Final Dividend	-40.72	-30.77
Tax on Interim Dividend	-8.29	-3.32
NET CASH USED IN FINANCING ACTIVITIES	-86.26	-117.77
Net Increase in Cash & Cash equivalents	-12.49	-21.17
Cash & Cash equivalents at the beginning of period	18.99	40.15
Cash & Cash equivalents at the end of period	6.50	18.98
	-12.49	-21.17

Notes : 1) 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.

2) The figures of the Previous year are regrouped / rearranged wherever considered necessary.

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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

Annexure 1

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2016

a. Basis of Preparation

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of Estimates

The preparation of financial statements in conformity with India GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

c. Tangible Fixed Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

d. Depreciation on Tangible Fixed Assets

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies

Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used, which is based on independent technical evaluation.

Particulars	Depreciation
R.C.C. Roads	Over its useful life as technically assessed (30 years)
W.B.M Roads	Over its useful life as technically assessed (15 years)
Plant & Machinery :	
(a)BDS Machinery	Over its useful life as technically assessed (12 years)
(b)KP Machinery	Over its useful life as technically assessed (25 years)
(c)Other Machinery	Over its useful life as technically assessed (20 years)
Vehicle :	
Tankers & Vans	Over its useful life as technically assessed (10 years)
Pump Truck	Over its useful life as technically assessed (12 years)

e. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred.

f. Impairment of Tangible Assets

An asset is treated as impaired when the carrying amount of an asset exceeds its recoverable value and is written down to its recoverable amount. An impairment loss is charged to Profit and Loss Account in which an asset is identified as impaired. The impairment loss recognised in prior accounting

period is reversed if there has been a change in the estimate of recoverable amount.

g. Investments

Current investments are carried in the financial statements at lower of cost and quoted/fair value computed category wise. Non Current investments are stated at cost. However, provision for diminution in value of Non Current investment is made only if such decline is other than temporary.

h. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

i. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net) and gain / loss on corresponding hedge contracts. Gross Turnover includes sales tax, service tax and excise duty. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Revenues from hire charges for delivery of goods are recognized on delivery of goods.

j. Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate

and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non monetary foreign currency items are carried at cost.

In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities are restated at the year end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

k. Retirement and Other Employee Benefits

Defined Contribution Plans such as Provident Fund etc. are charged to the statement Profit & Loss Account as incurred. Defined benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method, Actuarial gains and losses arising on such valuation are recognised immediately in the Profit & Loss Account. In case of funded defined benefit plans the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet are discounted using the yield on Government Bonds.

l. Income Taxes and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

ANNEXURE 1

Significant Accounting Policies for the Year Ended 31st March, 2016

m. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. There are no potential equity shares as on 31.03.2016 and accordingly the Diluted Earning per share and Basic Earning per share will be same.

n. Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company of a present obligation that is not recognized because it is not probable than an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognized nor disclosed in the Financial Statements.

p. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise Balances with bank and Cash in hand.

q. Financial Derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

r. Export Incentives

Export benefits under various scheme announced by the Central Government under Exim Policy are accounted on accrual basis to the extent considered receivable depending on the certainty of receipts.

s. Insurance Claims

Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claim and refunds whose recovery is ascertained with reasonable certainty are accounted for on acceptance / actual receipt basis.

t. Leases

The company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.) The leasing arrangement which are not cancellable range between 11 months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including leases rentals.

u. Research and Development Expenses

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalized.

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 1 Share Capital

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
a. Authorised Share Capital		
27000000 Equity Shares of ₹10/- each	27.00	27.00
Issued, Subscribed & Paid up		
18098011 Equity Shares of ₹ 10/- each	18.10	18.10
	18.10	18.10
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		

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
b. Details of Shareholders holding more than 5% Equity Shares		
1 Shri Satyanarayan Nuwal	4068739 22.48	4055787 22.41
2 Shri Kailashchandra Nuwal	3547819 19.60	3547819 19.60
3 Smt Indira Devi Nuwal	1113646 6.15	1113646 6.15
4 Smt. Leela Devi Nuwal	1015188 5.61	1015188 5.61
5 Smt. Sohan Devi Nuwal	929938 5.14	929938 5.14

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
c. Reconciliation Statement of Shares Outstanding		
Number of Shares at the beginning of the year	1.81	1.81
Add: Shares issued during the year	0.00	0.00
Number of Shares at the end of the year	1.81	1.81

Note - 2 Reserves and Surplus

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Capital Reserve		
Capital Reserve	4.29	4.29
	4.29	4.29
Security Premium Account		
Opening Balance	149.13	149.13
ADD - On Issue of Share	0.00	0.00
Closing Balance	149.13	149.13
General Reserve		
Opening Balance	156.61	126.61
Add:- Transfer from Profit & Loss Account	45.00	30.00
Closing Balance	201.61	156.61

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Surplus in Statement of Profit and Loss		
Opening Balance	195.47	157.47
Profit for the year	111.26	107.92
Less: Appropriations		
Interim Dividend	40.72	14.48
Proposed dividend on Equity Shares{ Dividend Per share Rs 7 (PY Rs 6)}	0.00	16.29
Tax on Dividend	8.29	3.32
Transfer to General Reserve	45.00	30.00
Depreciation in respect of Assets whose useful life is over	0.00	5.83
Closing Balance	212.72	195.47
GRAND TOTAL	567.75	505.50

Note - 3 Long Term Borrowings

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Secured		
1. Foreign currency Term Loan From Bank ECB*	96.67	78.43
	96.67	78.43

External Commercial Borrowing from DBS Bank amounting to 10 million \$, Corporate loan from HDFC - 3.82 million \$, and ICICI corporate loan - 3.20 million \$ referred to in (1) above are secured by Exclusive charge on the tangible movable & immovable fixed assets and working capital term loan from Indusind bank - 5.48 million \$ having first Pari Passu charge on company's entire current asset, both present & future and second Pari Passu charge on company's entire current assets, both present & future.

MATURITY PROFILE (₹ in Crores)*

2017-2018	2018-2019
82.33	14.33

Note - 4 Deferred Tax Liability

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 3 1.03.2015
Opening Balance	24.53	17.21
Addition during the year	0.41	7.33
	24.94	24.54

Note - 5 Other Long-Term Liabilities

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unpaid dividend	0.14	0.04
Unpaid dividend	0.14	0.04

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 6 Long Term Provisions

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Provisions for Sales Promotions	0.00	0.68
	0.00	0.68

Note - 7 Short-Term Borrowings

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Secured Loans		
Loan From Banks		
Rupee Loan Working Capital #	16.35	4.06
Foreign Currency Loan (Working Capital / Packing Credit)#	0.00	56.16
TOTAL (A) -	16.35	60.22
Unsecured Loans		
Rupee Loan Working Capital		
Foreign Currency Loan (Working Capital / Packing Credit)		
Buyers Credit Foreign Currency Loan From Banks	32.89	0.00
TOTAL (B) -	32.89	0.00
From Related Party (See Note No.29)	7.72	0.00
TOTAL (C) -	7.72	0.00
TOTAL (A+B+C) -	56.96	60.22

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

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Micro , Small & Medium Enterprises *	3.12	3.46
Related Parties (see note no.29)	6.71	0.00
Others	55.87	35.28
	65.70	38.74
* 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	-	-

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 9 Other Current Liabilities

(₹ In Crores)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
Current Maturities of long term Debt	22.37	16.20
Others Payables #	7.47	24.93
Creditors for Capital Expenditure	1.11	0.27
Advances received from Customers	17.79	11.03
Creditors for Transporter & Other	9.44	8.55
	58.18	60.98

Other payable includes Statutory dues & Expenses Payable.

Note - 10 Short Term Provisions

(₹ In Lakhs)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
Provision for employee benefits	4.04	3.19
Others #	8.01	2.19
	12.05	5.38

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 FINANCIAL STATEMENT

For the year ended 31st March, 2016

(₹ In Crores)

Note - 11 Schedule of Fixed Assets

ASSETS	GROSS BLOCK		ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	GROSS BLOCK AS ON 31.03.2016	DEPRECIATION			NET BLOCK		
	AS ON 01.04.2015					UPTO 01.04.2015	DURING THE PERIOD	DEDUCTIONS ON IMPAIRMENT / ASSET SALE DURING THE PERIOD	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
Land	28.90		1.45	0.00	30.35	0.00	0.00	0.00	0.00	30.35	28.90
Plot	14.69		1.60	0.00	16.29	0.00	0.00	0.00	0.00	16.29	14.69
Civil Construction	120.27		21.93	0.00	142.20	21.00	3.53	0.00	24.53	117.67	99.27
Office Building	4.74		0.00	0.00	4.74	0.27	0.01	0.00	0.28	4.46	4.47
Plant & Machinery	163.69		54.66	1.74	216.61	39.07	10.89	0.17	49.79	166.82	124.62
Furniture & Fixtures	3.66		0.35	0.00	4.01	1.37	0.43	0.00	1.80	2.20	2.29
Office Equipment	7.63		0.44	0.00	8.07	5.16	0.87	0.00	6.03	2.04	2.47
Vehicles	27.67		2.53	0.97	29.23	16.83	1.99	0.73	18.09	11.14	10.84
Plantation	0.09		0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.10	0.09
	371.34		82.96	2.71	451.59	83.70	17.72	0.90	100.52	351.07	287.64

Capital work in process

1. Capital Work in Process includes:

	31.03.2016	31.03.2015
Project Development Expenditure	0.44	12.73
Machinery under Installation	8.40	3.09
Furniture & Fixture under Installation	0.22	0.10
Building Under Construction	2.54	2.54
Vehicle	0.06	0.59
Free Hold Land	0.47	1.29
TOTAL	12.13	20.34

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 12 Non- Current Investments

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Long-Term Investments*		
(Unquoted Equity Instruments)-At Cost		
Equity share - 48,00,000 Nos. @ 30.20 each held in Economic Explosives Ltd	14.50	14.50
Equity share - 85000 Nos. @ \$ 100 /- Each @ Rs.45.67 held in Solar Overseas Mauritius Ltd	38.82	38.82
Equity share - 490000 Nos. @ of Rs 10 each held in SMS Bhatgaon Mines Extension Pvt Ltd	0.49	0.49
Equity share - 490000 Nos. @ of Rs 10 each held in Solar Bhatgaon Extension Mines Pvt Ltd	0.49	0.49
Equity share - 250000 Nos. @ of Rs 10 each held in Rainbow Production Ltd	0.00	0.25
Equity share - 110000 Nos. @ of Rs 10 each held in Ganga Care Hospital Ltd	0.11	0.11
Equity share - 50000 Nos. @ of Rs 10 each held in Solar Mines & Minerals Ltd	0.05	0.05
Equity share - 50000 Nos. @ of Rs 10 each held in Solar Mining Resources Ltd	0.05	0.05
Equity share - 498766 Nos. @ of Rs 10 each held in Blastech India Pvt Ltd.	0.50	0.00
Equity share - 4977700 Nos. @ of Rs 1.60 each held in Emul Tek Pvt Ltd.	0.80	0.00
Equity share - 50000 Nos. @ of Rs 10 each held in Solar Defence Ltd.	0.05	0.00
	55.86	54.76
In Mutual Funds		
(Valued at Cost)		
Kotak Private Equity Bond- Growth Fund II	3.61	3.61
	3.61	3.61
	59.47	58.37

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 13 Long Term Loans and Advances

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, considered good		
Capital Advances		
- Others	8.02	5.01
- loans & Advances - Good		
- To, Related Party # (see note no 29)	38.76	6.86
- To, Other	68.60	56.33
	115.38	68.20
Security Deposit & other Deposit		
- Others	2.69	2.98
	118.07	71.18

Subsidiaries and fellow subsidiaries - ₹ 37.86

Associates - ₹ 0.90

Note - 14 Other Non Current Asset

(₹ In Crores)

Balances with bank held as margin money or security against borrowing guarantees and other commitments

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Trade Receivable (Above 12 months)		
- Related Parties (see note no. 29)	17.30	16.10
- Other	20.69	20.72
- Doubtful Debts	7.56	4.30
	45.55	41.12
Less: Provision for Doubtful Trade Receivables	7.56	4.30
	37.99	36.82

Note - 15 Current Investments

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
In Mutual Funds		
HDFC Assets Mangement Co. Ltd.	1.92	0.00
Reliance Capital Assets Manangement Ltd.	2.99	0.00
	4.91	0.00
Investments in Equity Instruments-Quoted	0.46	0.23
(Valued at Cost)	0.46	0.23
Aggregate Value of quoted Investments	5.37	0.23

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 16 Inventories

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(Valued at weighted average cost basis)		
Raw Materials, Packing Materials	46.89	30.57
Consumables	10.02	6.03
Stock in Trade -(Traded Goods)	0.00	0.10
Semi Finished Goods	9.00	6.72
Finished Goods	3.55	2.85
Goods In Transit	0.00	0.03
	69.46	46.30

Note - 17 Trade Receivables

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Over 6 Months		
Unsecured, Considered Good		
- Related Parties (see note no 29)	15.29	18.91
- Other	4.74	7.41
	20.03	26.32
(b) Others		
Secured, Considered Good		
- Other	2.78	3.91
Unsecured, Considered Good		
- Related Parties (see note no.29)	19.70	15.00
- Other	73.81	70.33
	116.32	115.56

Note - 18 Cash and Cash Equivalents

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Cash and Cash Equivalent		
Balances with Banks:		
In Current Accounts	1.87	1.52
Cash in hand	0.49	0.65
Other Bank Balances		
In Fixed Deposits With Bank *	4.14	16.82
	6.50	18.99

* (i) FDR of Rs 3.99 Crores held as margin money or security against the borrowing & other commitments of less than 12 months period.

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 19 Short Term Loans and Advances

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, considered good		
Loans & Advances to Employees	0.26	0.28
Goods Suppliers & Service Providers	7.75	11.88
Other Advances		
Advances recoverable in cash or in kind or for value to be received		
- Related Parties (see note no. 29)	18.71	0.00
- Others	26.81	46.99
	53.53	59.15

Note - 20 Other Current Assets

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Balance with Revenue Authorities	70.57	68.31
Other Receivables	0.01	9.04
Interest Accrued but not due	0.00	0.68
	70.58	78.03

Note - 21 Revenue

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Sale of products		
Finished goods	1115.38	1044.71
Traded goods	77.91	66.56
Other Operating Income	5.25	5.57
	1198.54	1116.84
Less: Excise Duty	109.04	102.09
TOTAL	1089.50	1014.75
Details of Sales (Finished goods)		
Explosives / Explosive Accessories	1115.38	1044.71
A.N, Explosives & Other	77.91	66.56
TOTAL	1193.29	1111.27

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 22 Other Income

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Interest Income		
Interest From FDR	0.27	0.51
Income from Bond	0.39	0.29
Income from Subsidiary	3.39	0.95
Interest from Other	2.89	2.35
Interest received on income tax refund	2.47	0.00
Dividend Income		
From Subsidiaries	0.00	14.45
From Other	0.01	0.56
Miscellaneous Receipts	0.77	0.72
	10.19	19.83

Note - 23 Cost of Materials Consumed

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Cost of raw materials consumed during the year	604.65	566.67
Cost of packing materials consumed during the year	36.32	33.19
Cost of Material Consumed	640.97	599.86

Note - 24 Changes in Inventory of Finished Goods and Work in Process

(₹ In Crores)

Particulars	AS AT 31.03.2016	As at 31.03.2015
(Increase)/Decrease in Stocks	(2.98)	2.37

Note - 25 Employee Benefit Expenses

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Salaries, Wages and Bonus	41.29	37.47
Contributions to Provident and Other Funds	1.53	2.03
Staff Welfare Expenses	0.59	0.92
	43.41	40.42

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 26 Finance Costs

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Interest Charges	7.45	7.01
Other Borrowing Costs	0.47	0.23
	7.92	7.24

Note - 27 Other Expenses

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Sales Tax (Net)*	61.53	57.19
Export Expenses	14.45	19.31
Power & Fuel	13.29	12.10
Discounts and Settlements	9.90	7.88
Transportation Charges	8.90	12.29
Remuneration to Directors	7.20	6.86
Consumption of Consumables	5.04	7.42
Pump Truck Expenses	4.46	4.55
Repairs & Maintenance - Vehicles & Others	4.23	3.64
Security Service Charges	4.18	4.02
Travelling Expenses	3.75	3.42
Repairs & Maintenance - P & M, Electricals	3.46	4.58
Provision for Bad & Doubtful Debts	3.26	0.00
Consultancy Charges	2.97	2.50
Sales Promotion Expenses	1.88	1.12
Other Expenses	16.04	14.26
	164.54	161.14

* Sales Tax Subsidy reduced from Sales Tax

Note - 28 Exceptional Items

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Provision for Advances Written Off	0.00	10.00
	0.00	10.00

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 29 (1) Related Party Disclosures

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

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

SR NO.	NAME OF RELATED PARTY	SR NO.	NAME OF RELATED PARTY
SUBSIDIARIES :-		ASSOCIATES:-	
1	Economic Explosives Limited	1	Solar Bhatgaon Extension Mines Pvt.Limited
2	Solar Mines & Minerals Limited	2	SMS Bhatgaon Mines Extension Pvt. Limited
3	Solar Mining Resources Limited	3	Australian Explosive Technologies Group Pty Limited
4	Emul Tek Pvt.Limited		
5	Blastec (India) Pvt.Limited		
6	Solar Defence Limited		
7	Solar Defence Systems Limited		
OVERSEAS SUBSIDIARIES:-		OTHER:-	
1	Solar Overseas Mauritius Limited	1	Solar Synthetics Pvt.Limited
		2	Mahakal Infrastructures Pvt. Limited
		3	Mahakal Project Pvt.Limited
		4	Nagpur Infrastructure Pvt.Limited
		5	Solar Initiating Systems Limited
		6	Solar Processors Limited
		7	Commercial Sales Corporation
		8	Gulmohar Developers & Constructions Pvt. Limited
		9	Sun Developers & Constructions Pvt.Limited
		10	Sunbeam Developers & Constructions Pvt. Limited
		11	Sundrop Realtors Pvt.Limited
		12	Sunland Infracon Pvt.Limited
		13	Sunlight Infraventures Pvt. Limited
FELLOW OVERSEAS SUBSIDIARIES:-		KEY MANAGEMENT PERSONNEL:-	
1	Solar Overseas Netherlands Cooperative U.A	1	Shri S.N. Nuwal
2	Solar Overseas Netherlands B.V.	2	Shri K.C. Nuwal
3	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	3	Shri Manish Nuwal
4	PATSAN Pattlayici Maddeler Sanayi Ve Ticaret	4	Shri R. D. Vakil
5	Solar Overseas Singapore Pte Limited	5	Shri Anil Kumar jain
6	Nigachem Nigeria Limited	6	Shri Nilesh Panpaliya
7	Solar Explochem Zambia Limited	7	Mrs. Khushboo Pasari
8	Solar Mining Services Australia Pty Limited		
9	Solar Nitrochemicals Limited		
10	Solar Industries Africa Limited		
11	Solar Explochem (Ghana) Limited		
12	P.T. Solar Mining Services		
13	Solar Mining Services Pty Limited		
14	Solar Industries Mozambique LDA		

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note 29 (2) Transactions During The Year With The Related Parties (Excluding Reimbursements) :-

(₹ in Crores)

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	65.11	50.84	0.06	0.20	-	-
Rent Paid	-	-	0.02	-	-	-
Revenue From Operations-(Mfg/Trading sale)	88.79	81.53	-	-	-	-
Revenue From Operations-(Sale of Fixed Sale)	1.65	-	-	-	-	-
Revenue From Operations-(Operating Income)	0.45	0.49	-	-	-	-
Loan Recd O/S	-	-	7.72	-	-	-
Loan Given O/S	56.57	6.05	0.90	0.81	-	-
Interest (Net)	3.30	0.95	(0.53)	(0.47)	-	-
Remuneration, Gratuity	-	-	-	-	8.55	7.18
Dividend Received	-	14.45	-	-	-	-
Technical Consultancy Income	0.24	0.68	-	-	-	-
Balance O/S (Net)	49.89	50.01	(0.01)	-	-	-
Balance O/S	-	-	-	-	-	0.06

Note - 30

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

Note - 31 Research and Development Expenses Incurred During the Year

(₹ in Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
a. In the nature of Revenue Expenditure	2.39	2.52
b. In the nature of Capital Expenditure	0.62	0.11

Note - 32 Contingent Liabilities & Commitments

(₹ in Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
1) In Respect Of Counter Guarantees Given to Bank	45.54	96.51
2) In Respect Of Excise Matters In Dispute / Under Appeal	4.92	5.80
3) In Respect Of Sales Tax Deferement	9.47	9.47
4) In Respect Of Income Tax Matters In Dispute/ Under Appeal	3.20	3.03
5) In Respect Of Sales Tax Matters In Dispute/ Under Appeal	8.44	5.99

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

- 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. The company has written off interest income of ₹ 30.00 Crores in earlier years. The Board of Directors decided not to charge the interest on outstanding loans.
- 33 (2)** During the year company has purchased shares of its subsidiary M/s. Emul Tek Pvt Ltd at value of ₹ 0.80 Crores, Blastec (India) Pvt Limited of ₹ 0.50 Crores. and M/s. Solar Defence Ltd at value of ₹ 0.05 Crores.
- 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
- 33 (5)** Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : of ₹ 2.23 Crores
- 33 (6) Additional Information Pursuant to Note 5 of Part II of The Schedule III of The Companies Act, 2013 :-**

A) Turnover :

Class of Goods	₹ in Crores		
	Opening Stock As At 01.04.2015	Closing Stock As At 31.03.2016	Turnover 31.03.2016
Explosives & Accessories	2.85	3.55	1063.86
Other Sales	0.13	0.00	85.51
TOTAL :	2.98	3.55	1149.37

B) Turnover Of Semi-Finished Products :

Class of Goods	₹ in Crores		
	Opening Stock As At 01.04.2015	Closing Stock As At 31.03.2016	Turnover 31.03.2016
Semi-Finished	6.72	9.00	36.81
Other Sales	-	-	12.37
TOTAL :	6.72	9.00	49.18
Grand Total A+B :	9.70	12.55	1198.55

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

PARTICULARS	₹ in Crores			
	% OF TOTAL CONSUMPTION AS ON 31.03.2016	VALUE ON 31.03.2016 (₹)	% OF TOTAL CONSUMPTION AS ON 31.03.2015	VALUE ON 31.03.2015 (₹)
Raw Materials :				
Ammonium Nitrate - Imported	7.97	51.44	6.20	37.64
Ammonium Nitrate - Indigenous	55.19	356.56	55.06	334.36
TOTAL (A)	63.16	408.00	61.26	372.00
Other Raw Materials :				
Imported	1.65	10.67	1.14	6.89
Indigenous	34.41	222.30	36.38	220.96
TOTAL (B)	36.06	232.97	37.52	227.85

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

PARTICULARS	% OF TOTAL CONSUMPTION AS ON 31.03.2016	VALUE ON 31.03.2016 (₹)	% OF TOTAL CONSUMPTION AS ON 31.03.2015	VALUE ON 31.03.2015 (₹)
Stores and Spares :				
Imported	0.03	0.19	0.04	0.26
Indigenous	0.75	4.85	1.18	7.16
TOTAL (C)	0.78	5.04	1.22	7.42
Grand Total A+B+C	100.00	646.01	100.00	607.27

33 (8) During the year Purchases of Stock in trade shown on consumption basis.

33 (9) As on 31.03.16 company has given Financial Guarantee of \$3.38 Crores for its wholly owned overseas subsidiary.

Note - 34 Employee Benefits

Gratuity Liability for employee benefits has been determined by an actuary of LIC, in conformity with the principles set out in the Accounting Standard 15 (Revised). The details of which are as under

I	Amount to be recognised in the Balance sheet	(₹ In Crores)
1	Present Value of Funded Obligations	4.19
2	Fair value of Plan Asset	4.95
3	Net Assets shown in Balance sheet	0.76
II Present Value of Defined Benefits Obligation		
1	Present Value of Defined Benefit Obligation at the beginning of Year	3.65
2	Interest Cost	0.29
3	Current Service Cost	0.35
4	Benefits Payment	-0.33
5	Acturial (Gains) / Loss	0.23
6	Present Value of Defined Benefit Obligation at the end of the Year	4.19
III Fair Value of Plan Assets		
1	Plan Assets at the beginning of the Year	4.67
2	Expected return on Plan Assets	0.38
3	Contribution by Employer	0.24
4	Actual Benefits Paid	-0.34
5	Acturial (Gains) / Loss	-
6	Plan Assets at the end of the Year	4.95
IV Acturial Assumptions:		
1	Discount Rate	8.00%
2	Expected Rate of Return on Plan assets (Gratuity)	8.14%
3	Salary Increase Rate	5.00%

IV Notes

- Every Employee who has completed Minimum five years of service is entitled to Gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of Qualified insurance Policies.
- Provident fund for certain eligible employees is managed by the Provident fund authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.
- The minimum interest rate payable by the LIC to the beneficiaries every year is being notified by the LIC.

NOTES ON FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 35 Financial & Derivative Instruments

a) Foreign currency exposure of the company as at 31.03.16

For hedging Currency and interest rate related risks:

PARTICULARS	AS AT 31.03.2016				AS AT 31.03.2015		
	CURRENCY	NOS	AMOUNT IN FOREIGN CURRENCY (IN CRORES)	₹ IN CRORES	NOS	AMOUNT IN FOREIGN CURRENCY (IN CRORES)	(₹ In CRORES)
Forward Contracts Against Export	USD	-	-	-	37	0.68	42.50
Forward Contracts Against Import (including Capital Goods)	USD	1	0.18	11.73	-	-	-
Forward Contract Against FCNR	USD	4	1.25	82.82	2	0.62	38.75
Forward Contract Against ECB	USD	2	0.63	41.41	2	0.88	54.68

b) Foreign currency exposure remaining unhedged of the company as at 31.03.16 :-

PARTICULARS	AS AT 31.03.2016				AS AT 31.03.2015		
	CURRENCY	NOS	AMOUNT IN FOREIGN CURRENCY (IN CRORES)	₹ IN CRORES	NOS	AMOUNT IN FOREIGN CURRENCY (IN CRORES)	₹ IN CRORES
Against Export	USD	19	1.18	7.18	30	1.74	100.56
Against Export	EURO	1	0.02	0.15	1	0.02	2.25
Against Import	USD	-	0.72	4.78	-	0.23	14.64
Against FCNR	USD	-	-	-	-	0.66	41.23

Note: All figures are at closing exchange rate for the respective Financial Year

Note - 36 (1) Value of Imports on CIF Basis In Respect of

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Raw Materials & Components & Spares	73.76	25.67
Capital Goods	7.90	0.01

Note - 36 (2) Expenditure In Foreign Currency

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Ocean/Air Freight	0.00	0.15
Other Clearing Expenses	1.63	0.62
Sales Commission	0.39	1.61
Sales Promotion Expenses	0.93	1.02
Bank Interest	6.12	5.59
Office Expenses	0.08	0.08

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Travelling Expenses	0.17	0.11
Bank Charges	0.09	0.06
Repairs - Plant And Machinery	0.00	0.26
Pre-operative Expenses	6.03	12.13
Other Expenses	0.08	0.00
Discount Given On Sales	0.01	0.00

Note - 36 (3) Payment to Auditors as (Excluding Service Tax)

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(A) Auditor :-		
Statutory Audit Fees	0.29	0.25
Vat Audit Fees	0.04	0.03
(b) Certification	0.04	0.05
(c) Taxation & Others	0.15	0.07
TOTAL	0.52	0.40

Note - 36 (4) Earnings Per Share

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Net Profit After Tax as per Statement of Profit & Loss attributable to Equity Shareholders	111.26	107.92
(b) Weighted Average number of equity shares used as denominator for calculating EPS	1.81	1.81
(c) Basis & Diluted EPS (in ₹)	61.48	59.63
(d) Face Value per equity share (in ₹)	10.00	10.00

Note - 36 (5) Earnings In Foreign Currency

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) FOB value of exports (Invoice Value- ₹ 89.86)	78.18	85.82
(b) Other	1.54	4.93

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**S. N. Nuwal**
Chairman &
Executive Director**K. C. Nuwal**
Vice Chairman &
Executive Director**Manish Nuwal**
Managing Director &
Chief Executive OfficerPlace : Nagpur
Date : May 16, 2016**Khushboo Pasari**
Company Secretary**Nilesh Panpaliya**
Chief Financial Officer

READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "A": Subsidiaries

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Name of Subsidiaries Particulars	Economic Explosives Limited	Solar Mining Resources Limited	Solar Mines & Minerals Limited	Blastec India Private Limited	Emul Tek Private Limited	Solar Defence Limited	Solar Overseas Mauritius Limited	Solar Overseas Netherlands Cooperative U.A.	Solar Overseas Netherlands B.V.	Solar Overseas Singapore Pte Ltd	Nigachem Nigeria Limited	Solar Explochem Zambia Limited	Patsan Patayici Mad.San. Ti. c.A.Ş.	Solarpatayici Mad. Ve San. Ti. c.A.	Solar Industries Africa Limited	Pt.Solar Mining Services	Solar Mining Services Pty Limited
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate																	
Capital	4.80	0.05	0.05	4.99	4.98	0.05	56.31	76.15	85.39	3.11	14.19	0.03	6.88	49.02	0.55	4.74	15.88
Reserves	252.59	4.87	(0.15)	(3.86)	(4.27)	-	15.17	0.30	(6.64)	(0.28)	37.92	29.87	0.32	11.56	(0.15)	(0.95)	-
Total Assets	398.45	4.92	0.63	23.36	1.05	0.05	178.70	141.79	88.93	3.01	126.59	66.24	17.87	154.49	0.47	3.79	15.88
Total Liabilities	398.45	4.92	0.63	23.36	1.05	0.05	178.70	141.79	88.93	3.01	126.59	66.24	17.87	154.49	0.47	3.79	15.88
Details of Investments (Except Investment in subsidiaries)																	
Turnover	186.58	0.25	0.00	64.81	0.06	-	-	-	-	-	113.49	104.52	-	147.34	-	-	-
Profit before Taxation	54.27	0.12	(0.07)	0.68	(0.09)	-	0.90	(1.89)	(4.65)	(0.03)	8.48	23.56	-	12.05	(0.08)	(0.21)	-
Provision for Taxation	16.58	0.05	-	0.05	-	-	0.03	-	-	-	3.28	0.75	-	-	-	-	-
Profit after Taxation	37.69	0.07	(0.07)	0.63	(0.09)	-	0.87	(1.89)	(4.65)	(0.03)	5.20	22.81	-	12.05	(0.08)	(0.21)	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	-	-	-	-	-	-	-	-	-	-
	Fellow Subsidiaries																

1. M/s Solar Nitrochemicals Limited* 2. M/s Solar Mining Services Pty Limited* 3. Solar Mining Services Australia Pty.Ltd*

4. M/s Solar Explochem (Ghana) Limited* 5. Solar Industrias Mocambique Limitada*

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

**SAILENT FEATURES OF FINANCIAL STATEMENT OF SSUBSIDIARIES / ASSOCIATES
AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013,**

**READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED
FORM AOC-1**

Part “B” Associates

Statement pursuant to Section 129 (3) of the Companies Act,2013 related to Associate Companies

(₹ in Crores, except Equity Share data)

Sr No	Name of Associates	Share of Associates held by the Company on the year end					Profit/Loss for the year			
		Latest audited Balance Sheet Date	No. of Equity Shares	Amount of Investment in Associates (in Crores)	Extent of Holding %	Networth attributable of Shareholding as per latest audited Balance Sheet (in Crores)	Considered in Consolidated (in Crores)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not consolidated
Associates										
1	SMS Bhatgaon Mines Extension Private Limited	31.03.2016	490000	0.49	49	0.49	0.00	-	Note-A	-
2	Solar Bhatgaon Extension Mines Private Limited	31.03.2016	490000	0.49	49	0.49	0.00	-	Note-A	-

Note:

- A. There is significant influence due to percentage(%) of share capital.
B. The above statement also indicates performance and financial position of each of the associates.

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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

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, 2016, the, 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 31st March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/consolidated financial statements of certain subsidiaries included in consolidated financial statements which constitute total assets of ₹ 404.03 Crores as at 31st March, 2016, total revenues of ₹ 365.74 Crores and net cash outflows amounting to ₹ 10.20 Crores 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 Regn. No. 103031W

Place : Nagpur
Dated : May 16, 2016

C. N. Rathi
Partner
Membership No. 39895

Annexure 'A' to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Solar Industries India Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of

management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place : Nagpur
Date : May 16 , 2016

(C. N. Rathi)
Partner
M. No. 39895

Consolidated Balance Sheet

as at 31st March, 2016

(₹ In Crores)

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUND			
Share Capital	1	18.10	18.10
Reserves and Surplus	2	849.47	757.79
		867.57	775.89
MINORITY INTEREST			
		56.55	47.14
NON-CURRENT LIABILITIES			
Long-Term Borrowings	3	134.71	155.93
Deferred Tax Liabilities (net)		43.34	44.35
Other Long-Term Liabilities	4	0.14	0.04
Long-Term Provisions	5	0.87	1.15
		179.06	201.47
CURRENT LIABILITIES			
Short Term Borrowings	6	211.76	172.55
Trade Payables	7	93.09	62.63
Other Current Liabilities	8	121.84	121.52
Short Term Provisions	9	15.67	7.99
		442.36	364.69
TOTAL		1545.54	1389.19
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	700.47	584.86
Capital Work-In-Process	10	48.15	61.05
Non-Current Investments	11	7.84	7.73
Long Term Loans and Advances	12	98.36	86.70
Other Non Current Assets	13	38.93	38.76
		893.75	779.10
CURRENT ASSETS			
Current Investments	14	30.34	29.63
Inventories	15	163.11	164.88
Trade Receivables	16	265.90	191.30
Cash and Bank Balances	17	37.04	37.27
Loans and Advances	18	45.15	69.12
Other Current Assets	19	110.25	117.89
		651.79	610.09
TOTAL		1545.54	1389.19
Significant Accounting Policies			
Notes on Financial Statements			
	1 to 19		

The accompanying notes form an integral part of the consolidated 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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2016

(₹ In Crores, except per equity share data)

PARTICULARS	NOTE	31.03.16	31.03.15
INCOME			
Revenue From Operations	20	1663.55	1462.86
Less: Excise Duty / Service Tax		125.39	110.96
		1538.16	1351.90
Other Income	21	12.36	7.90
TOTAL REVENUE		1550.52	1359.80
EXPENDITURE			
Cost of Material Consumed	22	854.34	784.21
Purchases of Stock in Trade		14.62	18.47
Changes in inventories of Finished Goods, Semi Finished Goods and Stock in Trade	23	5.12	-33.97
Employee Benefit Expenses	24	88.07	79.80
Finance Costs	25	20.69	17.85
Depreciation		32.82	31.45
Other Expenses	26	278.49	249.37
TOTAL EXPENSES		1294.15	1147.18
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS		256.37	212.62
Less: Exceptional Items	27	0.00	10.00
PROFIT BEFORE TAXATION		256.37	202.62
TAX EXPENSES			
Current Tax		71.87	36.70
MAT Credit		0.00	-1.20
Deferred Tax		5.07	12.01
Prior Period Tax		-0.55	-1.23
		76.39	46.28
Profit for the Year (Before Adjustment of Minority Interest)		179.98	156.34
Less : Share of Profit Transferred to Minority Interest		13.84	8.93
PROFIT FOR THE YEAR (AFTER ADJUSTMENT OF MINORITY INTEREST)		166.14	147.41
EARNING PER EQUITY SHARES (BASIC & DILUTED) (₹)		91.80	81.45
Number of shares used in computing earning per share (Face value of ₹ 10 each)		18098011	18098011
Significant Accounting Policies		20 to 41	

The accompanying notes form an integral part of the consolidated 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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

Cash Flow Statement

for the year ended 31stMarch, 2016

(₹ In Crores)

PARTICULARS	2015-16	2014-15
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	256.37	202.62
Adjustments for :		
Minority Interest	9.41	9.04
Depreciation	32.82	31.45
Interest & Financial Expenses	20.69	17.85
Capital Reserve	-12.04	0.00
Foreign Exchange & Other	-13.41	9.86
Depreciation on Reserve	0.00	6.93
Provision for Advances Written off	0.00	10.00
	37.47	85.13
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	293.84	287.75
(Increase)/Decrease in Sundry Debtors	-74.59	-5.96
(Increase)/Decrease in Inventories	1.77	-12.05
(Increase)/Decrease in Other Current Assets	7.64	3.56
(Increase)/Decrease in Short Term Loans and Advances	23.97	0.00
Increase/(Decrease) in Trade payables	30.46	24.11
Increase/(Decrease) in Other Current Liabilities	0.31	-9.03
Increase/(Decrease) in Short Term Provision	7.68	-4.68
	-2.76	-4.05
CASH GENERATED FROM OPERATIONS	291.08	283.70
Income Tax and Other Taxes	76.39	53.22
	76.39	53.22
NET CASH GENERATED BY OPERATING ACTIVITIES	214.69	230.48
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Deferred Tax Liabilities	-1.01	17.34
Increase in Tangible Assets	-148.42	-139.47
Increase in Capital Work-In-Progress	12.90	19.99
Increase in Non-current investment	-0.11	2.44
(Increase)/Decrease in Current Investment	-0.71	-14.61
Increase in Other Non current Asset	-0.18	-18.48
(Increase)/Decrease in Loans & Advances	-11.66	-13.34
Goodwill	0.00	7.10
Provision for Advances Written off	0.00	-10.00
NET CASH USED IN INVESTING ACTIVITIES	-149.19	-149.03

(₹ In Crores)

PARTICULARS	2015-16	2014-15
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Working Capital Loan	39.21	-117.83
Increase/(Decrease) in Long Term Borrowing	-21.22	3.57
Increase/(Decrease) in Long Term Provisions	-0.27	-0.13
Increase/(Decrease) in Long Term Liabilities	0.10	0.00
Interest & Financial Expense	-20.70	-17.85
Dividend Paid	-40.72	-30.87
Tax on Dividend	-8.29	-5.16
Minority Interest	-13.84	-8.93
NET CASH USED IN FINANCING ACTIVITIES	-65.73	-177.20
Net Increase in Cash & Cash equivalents	-0.23	-95.75
Cash & Cash equivalents at the beginning of period	37.27	133.02
Cash & Cash equivalents at the end of period	37.04	37.27
	-0.23	-95.75

Notes : 1) 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.

2) The figures of previous year are regrouped/reclassified wherever considered necessary.

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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer

ANNEXURE - 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(Annexed to and forming part of the Accounts for the year ended 31st March 2016)

I Basis of Preparation Of Financial Statements :

- (i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.
- (ii) All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current- non-current classification of assets and liabilities.

II. Principles of Consolidation:

- (i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits.
- (ii) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies.
- (iii) The excess of the cost to the Parent Company of its investments in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as goodwill. Fluctuation to goodwill in respect of foreign subsidiary arising subsequent to acquisition, on translation at the year end rate, is included in the currency fluctuation reserve.

III. Recognition of Income and Expenditure :

- (i) Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.
- (ii) Sale of Goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.
- (iii) Export Incentives under the "Duty Draw back Scheme" etc is accounted in the year of export.

IV. Fixed Assets :

Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

V. Method of Depreciation and Amortisation :

- (i) Depreciation on Factory Buildings, Plant and Machinery, Vehicle, Furniture and Equipment is provided on a Straight Line Method over the estimated useful life of assets.
- (ii) Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.
- (iii) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used, which is based on independent technical evaluation.

Particulars	Depreciation
R.C.C. Roads	Over its useful life as technically assessed (30 years)
W.B.M Roads	Over its useful life as technically assessed (15 years)

Plant & Machinery:	
(a) BDS Machinery	Over its useful life as technically assessed (12 years)
(b) KP Machinery	Over its useful life as technically assessed (25 years)
(c) Other Machinery	Over its useful life as technically assessed (20 years)
Vehicle :	
Tankers & Vans	Over its useful life as technically assessed (10 years)
Pump Truck	Over its useful life as technically assessed (12 years)

(iv) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the month of such addition or upto the month of such sale/ discardment, as the case may be.

VI. Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VII. Valuation of Inventories :

- (i) The inventories resulting from intra-group transactions have been stated at cost after deducting unrealised profit on such transactions.
- (ii) Goods in transit are stated 'at cost'.
- (iii) Inventories are stated 'at cost or net realisable value', whichever is lower.
- (iv) Cost comprise of all costs incurred in bringing the inventories to their present location and condition. Cost formulae used are either 'average cost' or 'specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

VIII. Foreign Currency Translations :

For the purpose of consolidation, the amounts appearing in foreign currencies in the Financial Statements of the foreign subsidiaries are translated at the following rates of exchange:

- (a) Average rates for the incomes and expenditure.
- (b) The year-end rates for the assets and liabilities.

IX. Foreign Currency Transactions By Indian Companies :

- (i) All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- (ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are translated in Indian Currency at the applicable rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.
- (iii) Transactions covered by cross currency swap contracts to be settled on future dates are recognised at the rates of exchange of the underlying foreign currency prevailing on the date of the Balance Sheet. Effects arising out of swap contracts are accounted/adjusted on the date of settlement.

X. Employee Benefits :

Defined Contribution Plans such as Provident Fund etc., are charged to the statement Profit & Loss Account as incurred. Defined benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method, Actuarial gains and losses arising on such valuation are recognised immediately in the Profit & Loss Account. In case of funded defined benefit plans the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet are discounted using the yield on Government Bonds."

XI. Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

XII. Taxation :

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation. Minimum Alternative Tax credit

ANNEXURE - 1

(MAT Credit) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XIII. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

XIV. Government Grants:

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the statement of Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

XV. Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialized.

XVI. Lease:

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised

in the Statement of Profit and Loss on a straight line basis over the lease term or other systematic basis which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

XVII. Provisions, Contingent Liabilities And Contingent Assets:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognised nor disclosed in the financial statements.

XVIII. Minority Interest:

Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

XIX. Investment In Associates:

Investment in Associate Companies has been accounted under the equity method as per (AS 23) – "Accounting for Investments in Associates in Consolidated Financial Statements".

XX. Accounting for Investments:

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

XXI. As per management representation we have consolidated un-audited results of Overseas Subsidiary Solar Overseas Mauritius Ltd. & its fellow subsidiaries valued at historical cost basis.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 1 Share Capital

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
a. Authorised Share Capital		
27000000 Equity Shares of ₹10/- each	27.00	27.00
Issued, Subscribed & Paid up		
18098011 Equity Shares of ₹ 10/- each	18.10	18.10
	18.10	18.10
Shares issued in last 5 years		
774195 Shares were allotted during last 5 years at the premium of ₹ 920/- in year 2012-13.		

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
b. Reconciliation Statement of Shares Outstanding		
Number of Shares at the beginning of the year	1.81	1.81
Add: Issued during the year	0.00	0.00
Number of Shares at the end of the year	1.81	1.81

Note - 2 Reserves and Surplus

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Capital Reserve		
Capital Reserve	15.75	0.72
	15.75	0.72
Security Premium Account	149.13	149.13
ADD - On Issue of Share	0.00	0.00
	149.13	149.13
General Reserve		
Opening Balance	282.54	232.54
Add:- Transfer from Profit & Loss Account	75.00	50.00
Closing Balance	357.54	282.54
Surplus in Statement of Profit and Loss		
Profit & Loss Account	351.77	320.96
Foreign Exchange Fluctuation Reserve	-24.72	4.44
TOTAL	849.47	757.79

Note - 3 Long Term Borrowings

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Secured Loans		
1. Foreign currency Term Loan From Bank ECB*	134.03	155.29
(b) Unsecured Loans		
1. Sales Tax Deferral Loan	0.64	0.64
2. Loan from Related Party (See Note No 40)	0.04	0.00
	134.71	155.93

*Maturity Profile of Secured Term Loan are shown in Standalone Balance Sheets

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 4 Other Long-Term Liabilities

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unpaid dividends	0.14	0.04
	0.14	0.04

Note - 5 Long Term Provisions

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Provisions For Employees Benefits	0.83	0.00
Other Provision (Interest)	0.04	0.00
Provision for Sales Promotions	0.00	1.15
	0.87	1.15

Note - 6 Short-Term Borrowings

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Secured Loans		
Cash Credit		
Rupee Loan From Bank #	30.03	108.85
Foreign Currency Loan from Bank #	126.36	56.16
Total Secured Loans - (A)	156.39	165.01
Unsecured Loans		
Buyers Credit		
Foreign Currency Loan From Banks	32.89	0.00
Sainik Finance & Industries Limited	1.69	0.00
Related Party (See Note No 40)	20.79	7.54
TOTAL UNSECURED LOANS - (B)	55.37	7.54
TOTAL (A+B)	211.76	172.55

1) # 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.

2) Solar Overseas Mauritius Limited has taken revolving loan facility from DBS Bank amounting USD 10 Mi & HDFC Hongkong amounting USD 3.10 Mi referred above is secured by fixed assets of Solar Industries India Limited. & personal gurantee of Shri S.N. Nuwal

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 7 Trade Payables

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Creditors for Goods	89.47	58.61
Micro, Small & Medium Enterprises	3.50	4.00
Related Party (See note No 40)	0.12	0.02
	93.09	62.63
* 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	-	-
Amount of further interest remaining due & payable in Succeeding Years	-	-

Note - 8 Other Current Liabilities

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Current Maturity of long term Debt	53.87	42.19
Other Payables *	28.24	50.11
Creditors for Fixed Assets	2.91	4.76
Advances received from Customers	20.20	13.62
Creditors for Transporter & Other	16.62	10.84
	121.84	121.52

* Other Payables includes Statutory dues & Expenses Payable.

Note - 9 Short Term Provisions

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Provision for employee benefits	6.49	5.18
Others #	9.18	2.81
	15.67	7.99

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 STATEMENT

For the year ended 31st March, 2016

(₹ In Crores)

ASSETS	GROSS BLOCK		ADDITION ON ACQUISITION OF SUBSIDIARIES		ADDITIONS		DEDUCTIONS		GROSS BLOCK		DEPRECIATION						NET BLOCK	
	AS ON 01.04.2015			DURING THE YEAR	DURING THE YEAR	DURING THE YEAR	AS ON 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2016	UPTO 01.04.2015	ON ACQUISITION OF SUBSIDIARIES	DURING THE YEAR	DEDUCTIONS ON IMPAIRMENT / ASSET SALE DURING THE YEAR	FOREX LOSS	UP TO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
Land	76.57		0.29	7.94	0.00	0.00	84.80		0.00	0.00	0.00	0.00	0.00	0.30	0.30	84.50	76.57	
Plot	14.69		0.00	1.60	0.00	0.00	16.29		0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.29	14.69	
Civil Construction	250.35		1.00	56.07	0.00	0.00	307.42		0.53	35.02	7.37	0.00	0.00	3.67	46.59	260.83	215.33	
Office Building	4.74		0.00	0.00	0.00	0.00	4.74		0.00	0.26	0.02	0.00	0.00	0.00	0.28	4.46	4.48	
Plant & Machinery	306.77		1.92	90.33	1.74	1.74	397.28		1.56	59.83	19.21	0.17	0.17	9.76	90.19	307.09	246.94	
CSR Assets	1.00		0.00	0.95	0.00	0.00	1.95		0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.95	1.00	
Furniture & Fixtures	7.44		0.07	1.75	0.00	0.00	9.26		0.06	2.60	1.10	0.00	0.00	0.53	4.29	4.97	4.84	
Electric Installation	1.83		0.05	0.00	0.00	0.00	1.88		0.05	0.48	0.13	0.00	0.00	0.41	1.07	0.81	1.35	
Office Equipment	10.97		0.19	0.73	0.01	0.01	11.88		0.16	6.75	1.15	0.01	0.01	0.75	8.80	3.08	4.22	
Vehicles	39.48		1.95	5.07	1.18	1.18	45.32		1.18	24.13	3.84	0.93	0.93	0.76	28.98	16.34	15.35	
Plantation	0.09		0.00	0.06	0.00	0.00	0.15		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.09	
TOTAL	713.93		5.47	164.50	2.93	2.93	880.97		3.54	129.07	32.82	1.11	1.11	16.18	180.50	700.47	584.86	

Capital work in process

1. Capital Work in Process includes:

Particular	31.03.2016	31.03.2015
Project Development Expenditure	0.59	27.24
Machinery under Installation	22.65	3.38
Furniture & Fixture under Installation	0.22	0.10
Building Under Construction	2.55	2.59
Vehicle	0.06	1.71
Free Hold Land	1.26	2.33
Cost of Materials at site	2.81	3.97
Factory Equipment	0.03	0.05
Pre - Operative Expenses	17.98	19.68
TOTAL	48.15	61.05

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 11 Non- Current Investments

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Long-Term Investments		
Non- Current Investments		
(Unquoted equity instruments)-At Cost	0.49	0.49
Equity share - 490000 Nos. @ of ₹ 10 each held in SMS Bhatgaon Mines EXTN Pvt Limited		
Equity share - 490000 Nos. @ of ₹ 10 each held in Solar Bhatgaon EXTN Mines Pvt Limited	0.49	0.49
Equity share - 250000 Nos. @ of ₹ 10 each held in Rainbow Production Limited	0.00	0.25
Equity share - 110000 Nos. @ of ₹ 10 each held in Ganga Care Hospital Limited	0.11	0.11
Equity share - 66000 Nos. @ of AUD 6 each Australian Explosives Tech Gr PTY Limited	2.61	2.47
Equity share - 78 Nos. @ of USD 513.85 each SOLAR Mining Services Australia Pty Limited	0.27	0.25
Equity share - 23500 Nos. @ of 1 MZN each Solar Indus trias Mocambique Limitada	0.01	0.01
Equity share - 6500 Nos. @ 10000 TSH each Solar Nitro Chemicals Limited	0.20	0.00
Equity share - 15200 Nos. @ 1 GHC Held in Solar Explochem Ghana Limited	0.05	0.05
	4.23	4.12
In Mutual Funds		
(Valued at Cost)		
Kotak Mutual Fund	3.61	3.61
	3.61	3.61
	7.84	7.73

Note - 12 Long Term Loans and Advances

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, considered good		
Capital Advances		
- Others	12.49	14.86
TOTAL	12.49	14.86
- Loans & Advances		
- To, Related Party (See note no. 40)	5.83	2.01
- To, Other	75.73	65.42
TOTAL	81.56	67.43
Security Deposit & Other Deposits		
- Others	4.31	4.41
TOTAL	98.36	86.70

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 13 Other Non Current Asset

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Pre-Operative Expenses	0.62	0.62
Bank Deposit above 12 Month Maturity	0.04	0.25
Trade Receivable (Above 12 months)		
- Other	42.56	37.89
- Doubtful Debts	4.49	0.00
	47.05	37.89
Less: Provision for Doubtful Trade Receivables	8.78	0.00
	38.27	37.89
	38.93	38.76

Note - 14 Current Investments

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
In Mutual Funds		
Reliance Capital Asset Management Limited	23.14	26.01
Reliance Equity Saving Fund - Growth Option	4.64	0.00
Reliance Liquid Fund	0.18	0.00
HDFC Asset Management Company Limited	1.92	0.00
Reliance Regular Savings Fund - Debt Plan	0.00	3.39
	29.88	29.40
Investments in Equity Instruments-Quoted	0.46	0.23
	30.34	29.63

Note - 15 Inventories

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(Valued at weighted average cost basis)		
Raw Materials, Packing Materials	97.75	77.24
Consumables	12.22	8.66
Stock in Trade - (Traded Goods)	3.34	1.94
Semi Finished Goods	11.34	9.96
Finished Goods	37.32	65.14
Goods In Transit	1.14	1.94
	163.11	164.88

Note - 16 Trade Receivables

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Over 6 Months		
Unsecured, Considered Good		
- Other	13.30	17.74
	13.30	17.74
Less: Provision for Doubtful Trade Receivables	1.48	5.86
	11.82	11.88

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(b) Below 6 Months		
Secured, Considered Good		
- Other	3.11	4.94
Unsecured, Considered Good		
- Other	250.97	174.48
	265.90	191.30

Note - 17 Cash and Cash Equivalents

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Cash and Cash Equivalent		
Balances with Banks:		
In Current Accounts	24.14	13.25
Cash In hand	1.45	1.63
Other Bank Balances		
In Fixed Deposit (Below 12 Months)	11.45	22.39
	37.04	37.27

(i) FDR of Rs 8.26 Crores held as margin money or security against the borrowing & other commitments of less than 12 months period.

Note - 18 Short Term Loans and Advances

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, considered good		
Loans & Advances to Employees	1.27	1.34
Goods Suppliers & Service Providers	12.29	14.37
Other Advances		
Advances recoverable in Cash or in Kind for Value to be received		
Related parties (see note no. 40)	0.00	2.77
Other Advances	31.59	50.64
	45.15	69.12

Note - 19 Other Current Assets

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Balance with Revenue Authorities	106.40	113.41
Other Receivables	0.02	2.07
Prepaid Expenses	3.83	1.73
Interest Accrued but not due	0.00	0.68
	110.25	117.89

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 20 Revenue from Operations

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Sale of products		
Finished goods , Semi Finished Goods & Traded Goods	1658.23	1462.86
Other Operating Revenue	5.32	0.00
	1663.55	1462.86
Less: Excise Duty / Service Tax	125.39	110.96
TOTAL	1538.16	1351.90

Note - 21 Other Income

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Interest Income		
Interest From Bank	0.79	0.85
Interest From Bond	0.39	0.29
Interest from Other	3.03	4.27
Interest from Subsidiary	0.12	0.00
Interest Income on I.T. Refund	3.43	0.00
Dividend Income		
From Other	0.01	0.56
Other Miscellaneous Income	1.51	0.85
Income from Short Term Gain / Loss on Shares & Bonds	3.08	1.08
	12.36	7.90

Note - 22 Cost of Materials Consumed

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Raw Material consumed	807.06	742.13
Packing Material consumed	47.28	42.08
Cost of Materials Consumed	854.34	784.21

Note - 23 Changes in Inventory of Finished Goods and Work in Process

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Increase/(Decrease) in Stocks	5.12	-33.97

Note - 24 Employee Benefit Expenses

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Salaries, Wages and Bonus	81.85	73.61
Contributions to Provident and Other Funds	4.61	4.41
Staff Welfare Expenses	1.61	1.78
TOTAL	88.07	79.80

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

Note - 25 Finance Costs

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Interest Cost	15.84	14.44
Other Borrowing Cost	2.67	3.41
Interest Charges - Related party	0.71	0.00
Interest on Term Loans	0.70	0.00
Interest to Others	0.77	0.00
TOTAL	20.69	17.85

Note - 26 Other Expenses

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Consultancy Charges	6.74	11.80
Consumption of Consumables	8.10	10.35
Discounts and Settlements	10.31	7.73
Export Expenses	28.08	26.47
Power & Fuel	18.40	16.81
Pump Truck Expenses	5.87	5.12
Remuneration to Directors	7.70	7.16
Repairs & Maintenance - P & M, Electricals	6.29	7.45
Repairs & Maintenance - Vehicles & Others	5.51	4.35
Sales Promotion Expenses	2.80	2.76
Sales Tax (Net) *	79.76	67.89
Security Service Charges	5.86	5.69
Transportation Charges	25.33	25.81
Travelling Charges	7.91	6.93
Provision for Bad & Doubtful Debt	5.59	1.23
Other Expenses	54.24	41.82
GRAND TOTAL	278.49	249.37

Note - 27 Exceptional Items

(₹ In Crores)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Advances Written off	0.00	10.00
	0.00	10.00

28 Basis of preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in India for the year ended 31st March 2016.

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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

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 31st March, 2016

(₹ in Crores)							
NAME OF THE COMPANY	SALE OF GOODS	PURCHASE OF MATERIAL	OPERATING INCOME	INTEREST RECEIVED	INTEREST PAID	SERVICE PROVIDED	SERVICE RECEIVED
Solar Industries India Limited	88.79	65.11	0.45	3.30		0.24	
Economic Explosives Ltd.	73.56	48.63	0.21		0.42		
Solar Mines & Minerals Ltd					0.07		
Nigachem Nigeria Ltd.		10.45					0.24
Solar Explochem Zambia Ltd.		15.89					
Solar Patlayici Mad. San. Tic. A.S.		20.12					
Blastec India Pvt Ltd		2.83		0.04	1.47		
Emul Tek Pvt Ltd					0.06		
Solar Overseas Mauritius Ltd					1.32		

32 During the year company has purchased shares of its subsidiary M/s. Emul Tek Pvt Limited at value of ₹ 0.80 Crores, Blastec (India) Pvt Limited of ₹ 0.50 Crores and M/s. Solar Defence Limited at value of ₹ 0.05 Crores. Solar Defence Systems Limited company formed in March-16 but no share capital was introduced so no effect given in consolidation.

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 ₹ 20.00 Crores was provided in earlier years against the interest income which is written back in current year. The company has written off interest income of ₹ 30.00 Crores. 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 Mining Services Pty Limited of \$ 0.18 Crores.

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 Crores)		
Particulars	AS AT 31.03.2016	AS AT 31.03.2015
Net Profit for the year attributable to equity shareholders (₹ in Crores)	166.14	147.41
Weighted Average No of Shares (In Crores)	1.81	1.81
Earning per Share (₹)	91.80	81.45

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

36 Contingent Liabilities

(₹ In Lakhs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
In respect of counter guarantees given to Banks.	61.40	105.13
In respect of Excise matters in dispute / under Appeals	6.24	7.06
In respect of Sales Tax matters (Deferment)	9.47	9.47
In respect of Income Tax matters in dispute / under Appeals	5.85	4.39
In respect of Sales Tax matters in dispute / under Appeals	8.44	5.99

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 ₹ 2.32 Crores

(ii) As on 31.03.16 company has given Financial Guarantee of \$3.38 Crores 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 31.03.2016.

SR NO.	NAME OF RELATED PARTY	SR NO.	NAME OF RELATED PARTY
SUBSIDIARIES :-		ASSOCIATES:-	
1	Economic Explosives Limited	8	Solar Mining Services Australia Pty Limited
2	Solar Mines & Minerals Limited	9	Solar Nitrochemicals Limited
3	Solar Mining Resources Limited	10	Solar Industries Africa Limited
4	Emul Tek Pvt. Limited	11	Solar Explochem (Ghana) Limited
5	Blastec (India) Pvt. Limited	12	P.T. Solar Mining Services
6	Solar Defence Limited	13	Solar Mining Services Pty Limited
7	Solar Defence Systems Limited	14	Solar Industries Mozambique LDA
OVERSEAS SUBSIDIARIES:-		OTHER:-	
1	Solar Overseas Mauritius Limited	1	Solar Bhatgaon Extension Mines Pvt. Limited
		2	SMS Bhatgaon Mines Extension Pvt. Limited
		3	Australian Explosive Technologies Group Pty Limited
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 Limited		
6	Nigachem Nigeria Limited		
7	Solar Explochem Zambia Limited		

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31st March, 2016

SR NO.	NAME OF RELATED PARTY
8	Gulmohar Developers & Constructions Pvt. Limited
9	Sun Developers & Constructions Pvt. Limited
10	Sunbeam Developers & Constructions Pvt. Limited
11	Sundrop Realtors Pvt. Limited
12	Sunland Infracon Pvt. Limited
13	Sunlight Infraventures Pvt. Limited

SR NO.	NAME OF RELATED PARTY
KEY MANAGEMENT PERSONNEL:-	
1	Shri S.N. Nuwal
2	Shri K.C. Nuwal
3	Shri Manish Nuwal
4	Shri R. D. Vakil
5	Shri Anil Kumar jain
6	Shri Nilesh Panpaliya
7	Mrs. Khushboo Pasari

(₹ in Crores)

NATURE OF TRANSACTIONS	SUBSIDIARY		ASSOCIATES / RELATED CONCERN		KEY MANAGEMENT PERSONNEL	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Loan Recd O/S	-	-	20.83	7.54	-	-
Loan Given O/S	0.00	0.75	5.83	4.03	-	-
Balance O/S	-	-	0.12	0.03	-	0.06

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.

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

S. N. Nuwal
Chairman &
Executive Director

K. C. Nuwal
Vice Chairman &
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Place : Nagpur
Date : May 16, 2016

Khushboo Pasari
Company Secretary

Nilesh Panpaliya
Chief Financial Officer



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 id: investor.relations@solargroup.com | Website : www.solargroup.com

INVITATION

August 05, 2016

Dear Members,

You are cordially invited to attend the 21st Annual General Meeting of the members of Solar Industries India Limited ('the Company') scheduled to be held on Thursday, September 22, 2016 at 12:30 p.m. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspath, Nagpur – 440 010, Maharashtra.

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013, read with related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed herewith.

Very truly yours,

(Khushboo A. Pasari)

**Company Secretary
& Compliance officer**

Enclosures:

1. Notice to the 21st Annual General Meeting (AGM)
2. Instructions for e-voting
3. Route Map
4. Attendance Slip
5. Proxy Form
6. Ballot Form

NOTICE CALLING 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the members of Solar Industries India Limited (CIN:L74999MH1995PLC085878) will be held on Thursday, September 22, 2016 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

Adoption of Financial Statements

To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2016 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2

Interim Dividend

To confirm the payment of first & second Interim Dividends aggregating to ₹ 22.50 per Equity Share declared by the Company during the financial year 2015-16.

ITEM NO. 3

Re-appointment of a Director retiring by rotation

To appoint a Director in place of Shri Roomie Dara Vakil (DIN: 00180806), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.4

Ratification of appointment of Auditors

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 2016-2017 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

Ratification of Cost Auditor`s Remuneration

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 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 2016-17 ending on March 31, 2017, 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 : August 05, 2016

Place: Nagpur

(Khushboo A. Pasari)
Company Secretary &
Compliance Officer

Registered office:

11, Zade Layout, Bharat Nagar,
Nagpur - 440 033 (M.S.)

CIN: L74999MH1995PLC085878

Email id: 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 AUTHORIZING 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 Regulation 36(3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 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, upto 2017. The Company ratifies the appointment of M/s Gandhi Rathi & Co, Chartered Accountants as auditors from the conclusion of the 21st Annual General Meeting till the conclusion of the 22nd Annual General Meeting, to be scheduled in 2017 and to fix their remuneration for the year 2016-17 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 **Saturday, September 17, 2016 to Saturday, September 24, 2016** (both days inclusive) for annual closing.
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 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. 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.
9. 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.
10. 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.
11. During the financial year 2015-16, the Company has transferred to the Investor Education & Protection Fund, the unclaimed Final Dividend for the year 2007-2008.

During the current financial year 2016-17, Company will be required to transfer the unclaimed Final Dividend for the year 2008-09. 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 9, 2015 (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.

12. 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

NOTICE CALLING 21ST ANNUAL GENERAL MEETING

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.

13. 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.
14. 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.
15. Members/Proxies are requested to bring the copies of Annual Reports to the meeting.
16. A route map showing direction to reach the venue of the 21st Annual General Meeting is given at the end of this notice as per the requirement of the Secretarial Standard- 2 on "General Meeting".
17. 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 Regulation 44 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, 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 **Thursday, September 15, 2016** (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 **Monday, September 19, 2016** and ends on **Wednesday, September 21, 2016**. 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) **Thursday, September 15, 2016** 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:

- (i) The voting period begins on **Monday, September 19, 2016** at 10:00 a.m. and ends on **Wednesday, September 21, 2016** 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 **Thursday, September 15, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 (iv).
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- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login 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 linked in the login 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.
 - 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. (xvii) Under heading A above to vote through e-voting platform.

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

- (i) Regulation 44 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, 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.

NOTICE CALLING 21ST ANNUAL GENERAL MEETING

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 **Wednesday, September 21, 2016**. 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, and submit 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).

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.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the shareholders.

ITEM NO. 5

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 2016-17 ending on March 31, 2017 at the Audit Fees of ₹ 1,10,000 (Rupees One Lakh and Ten Thousand only).

None of the Directors and Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the Notice.

By Order of the Board

Place: Nagpur

Date: August 05, 2016

(Khushboo A. Pasari)

**Company Secretary &
Compliance Officer**

Registered office:

11, Zade Layout, Bharat Nagar, Nagpur - 440 033

CIN: L74999MH1995PLC085878

Email id: investor.relations@solargroup.com

Website: www.solargroup.com

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

ITEM NO. 3

Shri Roomie Dara Vakil (DIN: 00180806) who retires by rotation and being eligible, offers himself for re-appointment.

As regards re-appointment of retiring director Shri Roomie Dara Vakil (DIN: 00180806) referred to in item no. 3, of the Notice, brief resume of Shri Roomie Dara Vakil, his nature of expertise in

ANNEXURE TO ITEM NO. 3

Details of Directors seeking appointment and re-appointment at the forthcoming 21st Annual General Meeting

(in pursuance of Regulation 36(3) of SEBI(Listing Obligations and Disclosure Requirements)
Regulations, 2015)

As on March 31, 2016

Name of the Director	Shri Roomie Dara Vakil
Date of Birth	13.02.1943
Date of Appointment as Executive Director	25.10.2005
Nationality	Indian
Qualifications	Post Graduate in Mining (Geology)
Brief Profile	He is associated with the Solar Group for the past 14 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.
Disclosure of relationship between directors inter-se	NIL
Expertise in Specific Functional Area	Wide experience in sales, Marketing and managerial skills.
Number of Shares held in the Company	100
List of the Directorship held in other companies	Nil
Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Nil

For other details such as number of meetings of the board attended during the year and remuneration drawn in respect of Shri Roomie Dara Vakil, please refer to the Corporate Governance Report.



SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

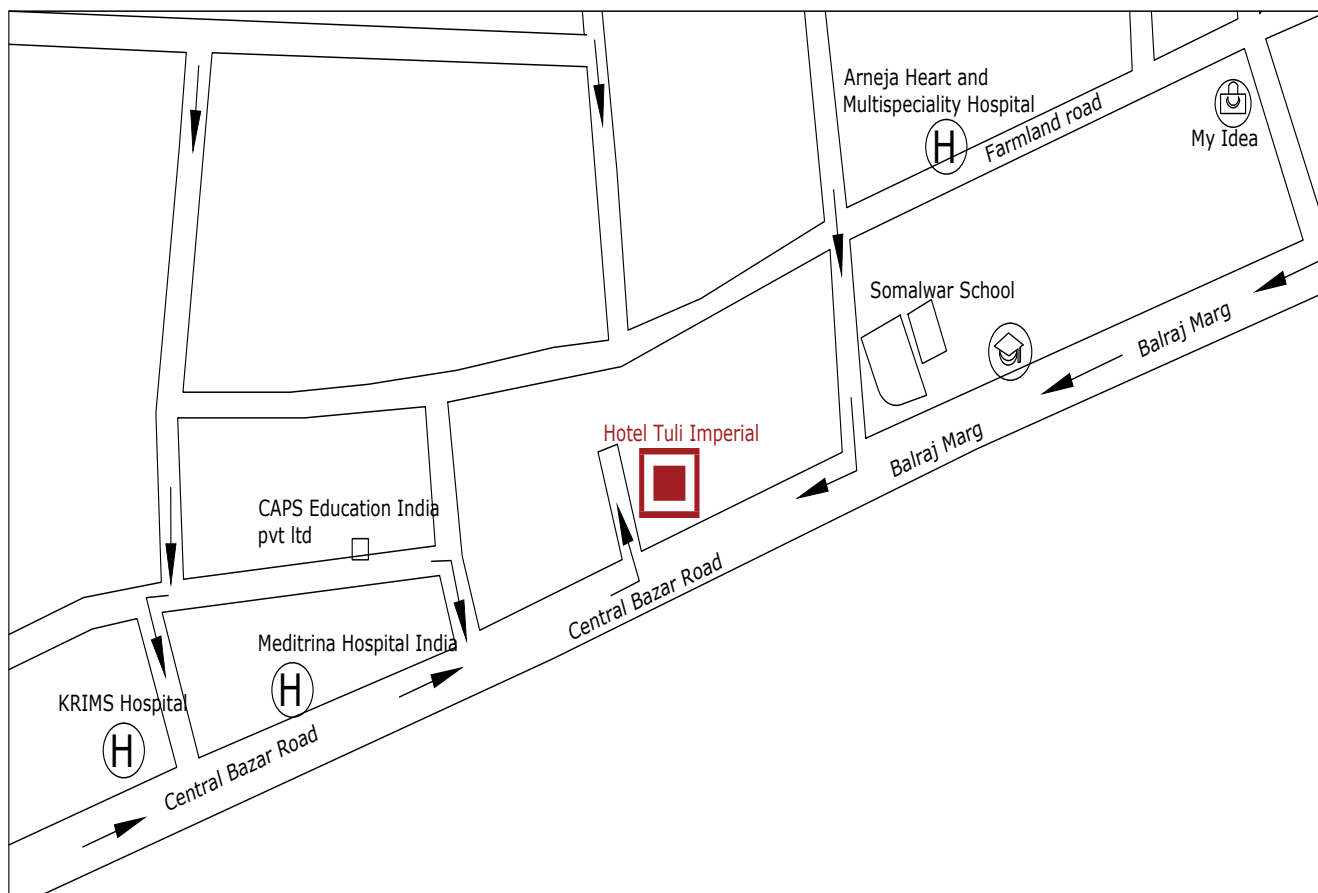
Registered Office: 11, Zade Layout, Bharat Nagar, Nagpur – 440 033 (M.S.)

Tel: 91-0712-2550151 | Fax: 91-0712-2560202 | e-mail id: investor.relations@solargroup.com | Website : www.solargroup.com

ROUTE MAP

Route Map to the AGM Venue of:

Solar Industries India Limited,
21st Annual General Meeting,
Thursday, 22nd September, 2016 at 12:30 pm.



Venue:

Hotel Tuli Imperial,
Central Bazar Road,
Ramdaspath,
Nagpur - 440010,
Maharashtra.



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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 21st Annual General Meeting of the Company to be held on Thursday the 22nd Day of September, 2016 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 21st Annual Report to the Meeting as the same will not be circulated at the meeting.



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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]

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

(3) 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 Twenty first Annual General Meeting of the Company, to be held on Thursday, September 22, 2016 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, 2016 and the Directors and Auditors Report thereon.		
2.	Confirmation of the payment of first & second Interim Dividends aggregating to ₹ 22.50 per Equity Share declared by the Company for the Financial Year 2015-16.		
3.	Re-appointment of Shri Roomie Dara Vakil (DIN: 00180806) who retires by rotation		
4.	Ratification of appointment of M/s Gandhi Rathi & Co., Chartered Accountants, as Auditors and fixing their remuneration.		
SPECIAL BUSINESS			
5.	Ratification of the remuneration of Cost Auditor.		

Affix
One Rupee
Revenue
Stamp here
& sign

Signed this _____ day of _____ 2016

Signature of Shareholder(s)

Notes:

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**

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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) : _____

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 Twenty First Annual General Meeting of the Company scheduled on Thursday, September 22, 2016, 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, 2016 and the Directors and Auditors Report thereon.		
2.	Confirmation of the payment of first & second Interim Dividends aggregating to ₹ 22.50 per Equity Share declared by the Company for the Financial Year 2015-16.		
3.	Re-appointment of Shri Roomie Dara Vakil (DIN: 00180806) who retires by rotation		
4.	Ratification of appointment of M/s Gandhi Rathi & Co., Chartered Accountants, as Auditors and fixing their remuneration.		
SPECIAL BUSINESS			
5.	Ratification 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 Tushar Pahade of M/s. T. S. Pahade & Associates, Practicing Company Secretaries, Unit: Solar Industries India Limited. C/o Link Intime India Pvt. Limited, 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 Wednesday September 21, 2016. Ballot form received thereafter will strictly be treated as if not received.
2. 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.
3. The Company will not be responsible if the Ballot Form torn, mutilated in any manner.
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 shareholder. 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 calling 21st Annual General Meeting of the Company and are also placed on the website of the Company (i.e. www.solargroup.com).





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