SOLAR
Safety • Quality • Reliability

August 9, 2021

To,
The Executive Director
Listing Department
National Stock Exchange of India Limited
Mumbai
Trading Symbol: "SOLARINDS"

To,
The Executive Director
Listing Department
BSE Limited
Mumbai
Scrip Code: 532725

Sub: Integrated Annual Report for the financial year 2020-21 including Notice convening 26th Annual General Meeting (AGM) and Intimation of Record Date.

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Integrated Annual Report of the Company for the financial year 2020-21 including the Notice convening 26th Annual General Meeting ("Notice") sent to the members through electronic mode. The AGM of the Company will be held on Tuesday, August 31, 2021, at 11.30 a.m. (IST) through Video Conference ('VC')/Other Audio Visual Means (OAVM).

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

The Notice of AGM along with the Annual Report for the financial year 2020-21 is also being made available on the website of the Company at: www.solargroup.com

Further, to our letter no. dated May 27, 2021, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Friday, August 20, 2021 as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2021. Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on Thursday, September 9, 2021.

This is for your information and records.

Thanking You,

For Solar Industries India Limited

Khushboo Pasari
Company Secretary &
Compliance Officer

Solar Industries India Limited

Solar Industries India Limited
Regd. Office : "Solar" House, 14, Kachimet, Amravati Road, Nagpur - 440 023, INDIA
(+91)712-6634555/567 (+91)712-2500200-201 solar@solargroup.com
CIN : L74999MH1995PLC085878 www.solargroup.com

26th
Annual Report
2020-21

SOLAR
INDUSTRIES
INDIA
LIMITED

नया सवेरा
नई उमंग

Read through the pages

BSE scrip code:
532725

NSE Trading Symbol:
"SOLARINDS"

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

About cover

The elements, colors and concept of the cover design depicts vibrancy and new beginnings. This philosophy truly represents how Solar Industries is placed to write a new chapter of growth in its illustrious journey.

Forward-looking statements

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

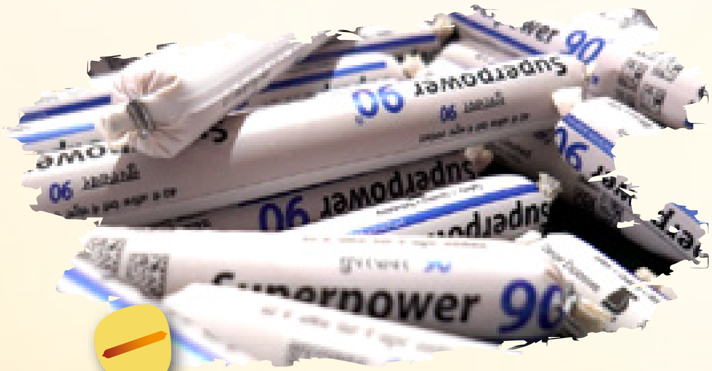
Today, Solar Industries stands at yet another cusp of growth story. We continue to move up our value chain by expanding our product offerings for mining, defence and space applications.

Moving forward, we remain pivotal to nation's aspiration for building a self-reliant (Aatmanirbhar Bharat) model of economic growth. Our integrated business model, talented people and continuous innovation form an important part of our future growth story, setting us on course for New Trails with New Beginnings.

Solar at a Glance

Solar Industries India Limited (SIIL) is one of the leading global manufacturers of industrial explosives for mining and infrastructure sector. Leveraging our deep domain expertise and experience, we have taken rapid strides to emerge as a leading private sector ammunition player in the country.

Our Products



Industrial Explosives

Read more about our business on page 16 of the Annual Report

Defence

Read more about our business on page 17 of the Annual Report

Capital-wise highlights

Financial Capital

₹2515.63 crore
Turnover

₹276.35 crore*
Profit after Tax

Manufactured Capital

₹1910.75 crore
Gross block

Intellectual Capital

₹77.5 crore
R&D spent in last 5 years

Human Capital

7249
Employee strength

77479
Total man hours of safety training

Social & Relationship Capital

55+
Countries of presence

₹25.25 crore
CSR spent in last 5 years

Natural Capital

10206 KL
Water Recycled

2.7%
Reduction in water consumption

Our Strengths

Diverse sectoral presence

Our products and business portfolio find applications across several downstream industries such as infrastructure, mining, defence, space.

Global footprint

Our aim is to widen our market presence across the globe with our manufacturing units at strategic locations.

Responsibility

Our ESG-compliant business model is focused on creating enhanced value for stakeholders

Financial discipline

Modest gearing of 0.48 (as on March 31, 2021) with balanced financing through debt and accruals

State-of-the-art manufacturing facilities

Our manufacturing facilities across the world are equipped with state-of-the-art technologies.

Our People

The relentless dedication of our people continues to drive us forward towards our goals. The diversity and inclusiveness in our workforce remain a strong fundamental to our sustained growth.

Our commitment to ESG

At Solar, we are committed to improving our approach towards building a strong triple bottom line structure. We continue to strengthen our societal bonds to create a positive impact within the communities we operate, while also stepping up our efforts towards protecting the environment. In addition, we maintain highest standards of ethics and integrity, reflecting our strong governance framework.

Environment

Key focus areas:

- Managing Environmental Impacts
- Clean Energy
- Waste Management
- Water Management
- Asset Utilisation
- Product Stewardship

Social

Key focus areas:

- Health & Safety
- Opportunity and Diversity
- Customer Satisfaction
- Supply Chain Management
- Supporting communities

Governance

Key focus areas

- Code of Conduct
- Whistle Blower Policy
- Vigil Mechanism
- Robust Risk Management

Chairman's Message

DEAR SHAREHOLDERS,

My sincere greetings to all of you on behalf of Solar Industries India Limited. I hope you and your family are in good health and staying safe.

It's an honour and privilege to share the Company's performance highlights for the year, and our future plans.

Our Operating Environment

The global economy was placed in a precarious condition as the world GDP contracted by -3.5% in 2020. The near zero policy rates and Government spending to stimulate consumption demand had an unintended consequence i.e. a price surge in commodities. A super cycle event, usually lasting for a decade has the potential to transform economies. However, the caveat is to prevent the aggregate demand from falling further.

> *"I am thankful for the great contribution of Solar Team, who have been the backbone of the company, and the source of our strength. They overcame these trying times during the pandemic and yet assured optimum results."*

The Indian economy shrank by -7.3% during the fiscal year 2020-21, despite of seeing sequential quarterly jumps during the second half of the fiscal. This was propelled by pent up demand and spurt in economic activities since the economy unlocked after the June quarter. The policy support and reforms initiated during the period eased supply constraints and injected liquidity into the economy.

The Government accelerated its process of structural reforms. These reforms had a clearly defined vision of building a USD 5 trillion Indian economy by 2025. Accordingly, a slew of economic packages and policy support were provided for the manufacturing sector under the arch of the Aatmanirbhar Bharat Abhiyaan. The Production Linked Subsidy (PLI) scheme for incentivising domestic manufacturing has now been extended to 13 sectors and has received significant traction till date.

The Budget for FY 22 also reiterated the Government's commitment towards infrastructure led development through a substantial increase in capex expenditure, provision for asset monetisation and creation of Development Financial Institutions.

To facilitate economic activity, the steps towards rationalisation in labour laws , a strong push towards digitisation and creation of a robust banking system, will connect, integrate and standardise tangible and intangible transactions within the economy. The cumulative effect of the interplay between various converging forces and structural reforms augurs well for a long-term positive outlook for infrastructure spending and a consequent increase in economic growth.

Overcoming Obstacles

The Company recorded lower sales during April-May 2020 due to severe demand contraction in the economy and unscheduled production stoppages imposed by lockdown. However, the Company gained traction post the unlocking of the economy as demand picked up, and along with it a spurt in economic activities. Our consolidated revenues grew to ₹ 2515.63 crore in FY 21 from ₹ 2,237.30 crore in FY 20, a growth of 12.44%. The sustained performance across major operational metrices demonstrate the resilience in our business model that is built for long-term value creation. The Company's integrated business model offered an operating leverage to sustain the new financial conditions.

Owing to the nature of the business, the Company's operating environment is dependent on a number of environmental, social, operational, financial, technological, and regulatory compliances that underpin business cycles and pose operational and strategic challenges. During the last fiscal, these challenges were multiplied by the pandemic. Nevertheless, the Company was able to steer past these obstacles, riding on the strength of its people, thereby maintaining consistent performance. In the year under review, the Company was able to record production of 3,33,081 MT explosives.

Operational Performance

In the domestic market, the Company's revenue was impacted due to reduced off-take, mining & infrastructure sector during the first half of the fiscal year 2020-21. The decline during first half was marginally compensated by increased traction in the housing and infrastructure sector owing to policy support from the Government and availability of cheaper credit in the second half of the year.

The Company performed quite well in the international markets and its expansion in overseas markets contributed significantly to revenue realisation in fiscal year 2020-21. The overseas market has been a major destination for the Company's capex investment for some years. The Company has a strong presence in 6 countries including India and is expected to expand its footprint in Tanzania in the initial months of FY 2021-22. The Company is also planning to enter three to four new countries in the next five years.

With the improvement of economic conditions in these markets, we anticipate further increase in sales volume in the near future.

Opportunities for Growth.

The Company has built a strong order book for the upcoming year with orders worth ₹ 1,510 crore signed during FY 2020-21. It also includes orders worth ₹ 447 crore signed with SCCL for a period of two years. The combined orders from Coal India Limited and SCCL are worth ₹ 830 crore. Bidding for commercial mining of coal in India has been commenced and it is anticipated to attract investments from global mining majors, thereby facilitating the use of latest technology for productivity gains and opening up new markets. The Company's exports and overseas expansion plans look very promising.

The housing sector, with a thrust on low and mid-income, affordable housing has been generating significant orders and is likely to maintain its course, driven by the Government's flagship Pradhan Mantri Awaas Yojana - Urban.

Significant opportunities also exist in the roads and highways sector due to the government's continued emphasis in this sector. It also focuses on the construction of rural roads under the Gram Sadak Yojana.

The Defence sector has begun to witness increased investments due to the government's efforts to

Chairman's Message

promote indigenisation and self-reliance in defence production. For the first time in India's Defence history, ammunition orders for complete products have been granted to a private company. We have received the order for supply of multi-mode hand grenades (MMHG) from the Ministry of Defence, Government of India worth ₹ 450 crore, which is to be delivered over a period of two years. In line with the government's objective of promoting indigenous production in the Defence sector, the first ever Pinaka Mk-1 Enhanced Rockets were fully manufactured by us on a co-development model, 25 of these Rockets were successfully test fired at the firing ranges in Balasore, Odisha.

The Company has an order book worth ₹ 680 crore in the defence sector and expects significant traction in this sector in the near term. Our long-term strategic focus has been on enhancing the manufacturing of defence products which we have successfully developed and tested over the years. Our product portfolio mainly comprises of products such as high energy materials, propulsion systems, pyros, ignitors, and rocket assembly.

Dividend

The Company is optimistic about latent opportunities in the near term and is targeting growth of over 30% during the fiscal year 2021-22. The optimism derives its confidence from expected volume growth in the downstream sectors of the Company's interests along with almost an equivalent increase in prices. Thereby, keeping in mind the Company's aggressive growth and execution strategies, it intends to plan for contingencies arising due to economic uncertainties. Therefore, the Company has decided to keep the dividend rate intact at ₹ 6 per share, to preserve profits for such contingencies.

Quality and Safety

The Company lays great emphasis on Quality and Safety. Our immaculate focus on maintaining the highest quality standards have enabled us to establish the Company's products in the international market. To ensure adherence to safety protocols, we follow stringent procedures to safeguard and protect our workforce.

We have instilled a culture of Safety in our operations, training our workforce to comply with necessary regulations and standards. The Company strongly believes in abiding by pre-requisite standards of safety and quality to strengthen its foothold as an international player.

Emphasis on Good Governance

Acting in accordance with the principles of responsible management, the Company continues to lay emphasis on corporate governance as a crucial factor for business sustainability. Good corporate governance is aimed at increasing the value of the Company's businesses. At Solar, we have very transparent reporting and a strong internal communication framework backed by well-defined policies on corporate governance.

Giving Back to Society

The Company indulges in holistic activities that improve and uplift communities, thereby ensuring improvement in the quality of people's life. The Company supports people within its operational ecosystem through positive interventions which ensures economic and social welfare. With our concerted efforts, we aim for a better tomorrow, marked by significant opportunities for leading empowered lives. The Company stepped up its efforts during the fiscal FY 21 to ensure health and safety of people in the community.

Gratitude

I would like to take this opportunity to extend my heartfelt gratitude to all our stakeholders for reposing their faith in Solar Industries and their continuous encouragement for all of us. I am thankful for the great contribution of Solar Team, who have been the backbone of the company, and the source of our strength. They overcame these trying times during the pandemic and yet assured optimum results. I am also extremely thankful to all our business partners, vendors, other business associates and our bankers for their support and contribution in our success over the years. I look forward to your continued support to achieve all our aspirations and goals.

Satyanarayan Nuwal
Chairman

Managing Director's Message

DEAR READERS,

> *"I am happy to quote that in 25 years of existence, your company has grown manifold! Starting as a small manufacturer based out of Nagpur to one of the leading Global Explosive Manufacturer."*

It's my pleasure to review the Company's performance for FY 20-21. During the year we faced multiple challenges but I am proud to say that we have many positive take aways.

Business performance

A year that was unprecedented, our response to Covid-19 can be described in one word as resilient. Our operating and financial performances were a result of agility and dedication that was demonstrated by our team. We restructured our strategic goals, focusing on key areas that needed attention, keeping the momentum going on all fronts.

During the fiscal 2020-21, the company posted net sales of ₹ 2515.63 crore, achieving a growth rate of 12.44% compared to ₹ 2237.30 crore during FY2019-20. The global price rise across commodities was driven by rebound of economies across the world, resulting in price inflation. Despite the cost headwinds, the company registered a 12.76% growth in EBITDA which stood at ₹ 536.02 crore during the period under review, from ₹ 475.37 crore in the previous fiscal. The EBITDA margins continue to remain healthy at 21.31% levels, driven by strong operational performances.

The resilience in our business model is reflected in our robust financial performance. Our long-term approach towards risk mitigation and strong internal controls remained pivotal in enabling us to emerge out stronger from the impending difficulties.

On the operational front, we yet again stood tall exhibiting our core capabilities. In the past one decade of foraying into a capital intensive and critical approval-based defence sector, your company has expanded its offerings, now visible with a strong order book of ₹ 680 Crore. Your company has been successful in opening new frontiers of growth with beginning of exports in ammunition sector.

We ensured meeting our customer expectations by increasing our production capacity and maintaining adequate inventory levels.

This exemplary performance across mining, defence and space applications is a result of our investments made in building state-of-the-art manufacturing facilities. We possess one of the world's most integrated defence manufacturing facility and modern packaged explosives and detonators facilities across strategic locations. All our manufacturing facilities are process-oriented with modern technologies and benchmarked with global standards and environment management systems.

Over the years we have leveraged our R&D capabilities across our operations to develop the 'future' solutions within our industry landscape. Our focus on strengthening our in-house technology has helped us broaden our product portfolio and introduce new solutions to offer our clients.

Our multi-geographic manufacturing presence in strategic countries has allowed us to penetrate markets with higher economies of scale and sustain our market leadership.

Business Outlook

I am happy to quote that in 25 years of existence, your company has grown manifold! Starting as a small manufacturer based out of Nagpur to one of the leading Global Explosive Manufacturer. Moving forward, we foresee the accelerated momentum for Solar, with healthy order books and high growth potential across the products we offer. The company continues to scale new heights and expand its market share across its diverse product portfolio. Currently having operations in six countries including India, your company is likely to operationalize its Tanzania facility during the beginning of FY22.

The defence portfolio is expected to exhibit high growth rates in near term due to strong push for indigenization of defence sector by the incumbent Government under the Aatmanirbhar Bharat Abhiyaan. The housing and infrastructure market, is also set to gain from the policy support for Affordable Housing and increased demand for work from home culture in India.

The Coal India's target of achieving one billion ton production by FY25, will significantly boost demand for our Company's product.

Your Company's business model is well aligned to India's growth story, with a mission to emerge as USD 5 trillion economy by 2025. With rising demand of explosives for mining in overseas market, backed by our presence in key geographies - your company is well placed to capitalize on opportunities from these markets and sustain revenue growth in the coming years.

Our People, Our Strength, Our Soul

At Solar Industries we strongly subscribe to long-term and sustainable growth strategy, reflected in our empowered workforce. Your company has strong HR Policies that keeps our workforce engaged, motivated and committed. Owing to the nature of the industry, we have also accorded the highest priority towards providing a safe and healthy working environment for our people.

Finally, I would like to take this opportunity to express my profound gratitude to the Board of Directors, our customers, and key stakeholders.

Stay Safe. Stay Healthy.

Manish Nuwal
Managing Director & CEO

Our Value Creation Model

Our Drivers

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

Innovative Solutions technology and services through Research and Development.

To Contain product & Service Costs through constant re-engineering and improvement in all business processes.

To ensure Highest Safety Standards, Quality & Reliability of our Solutions with commitment to environmental safegaurds.

To Nurture Collaborations & Partnerships that are complimentary to the Company's global ambitions.

Our Resources

Financial Resources

We use revenue generated from our operations and debt-funds to run our business and augur growth

Input Material

Our extensive - national and international footprint of manufacturing facilities positions us to serve an ever-widening customer base

Intangible assets

Our experience, technical knowhow and in-house research and development capabilities form an integral part of our business model

Human Resources

Our diverse set of people across our area of operations, with varied skills, competencies, capabilities and knowledge sets help us grow our business

Committed Relationships

Our inclusive approach to address the needs of our stakeholders and deliver on our commitments

Natural Resources

We work towards optimum utilization and minimal wastage of all our resources used within the area of our operations

Our Value Creation Approach

Primary Inputs

- Capital
- Raw Material
- Water
- Packaging material
- Manpower
- Electricity
- Technology

Products

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

Downstream industries

- Mining
- Road & Infrastructure
- Well sinking
- Housing
- Hydro Projects
- Seismic Exploration
- Defence
- Space

Outputs

Financial

- Revenue ₹ 2515.63 Crore
- PAT ₹ 276.35 Crore
- Debt-Equity ratio 0.48
- Market Cap ₹ 11560 Crore as on March 31, 2021

Manufactured

- World class infrastructure
- Efficient and maximised utilisation of assets
- Real time monitoring of operational parameters
- Automation enabled in plants

Intellectual

- In-house R&D capabilities
- New product development
- Centre of Excellence, first and only private sector IMC facility for Ammunition in India
- Building a culture of innovation

Human

- Invest in learning and development
- Build an amicable work environment
- Nurturing employees to emerge as leaders
- Improved diversity ratio

Social & Relationship

- Support communities
- Strong & enduring relationship with Customers
- Robust investor outreach programme
- Trustworthy relationship with Suppliers
- Create value for customers

Natural

- Reduced water consumption by 2.7 %
- Reduced energy consumption by 97.69 GJ
- Efforts scaled up to mitigate sustainability related risks.

Outcomes

CRISIL AA+/Stable

Providing employees with adequate growth opportunities

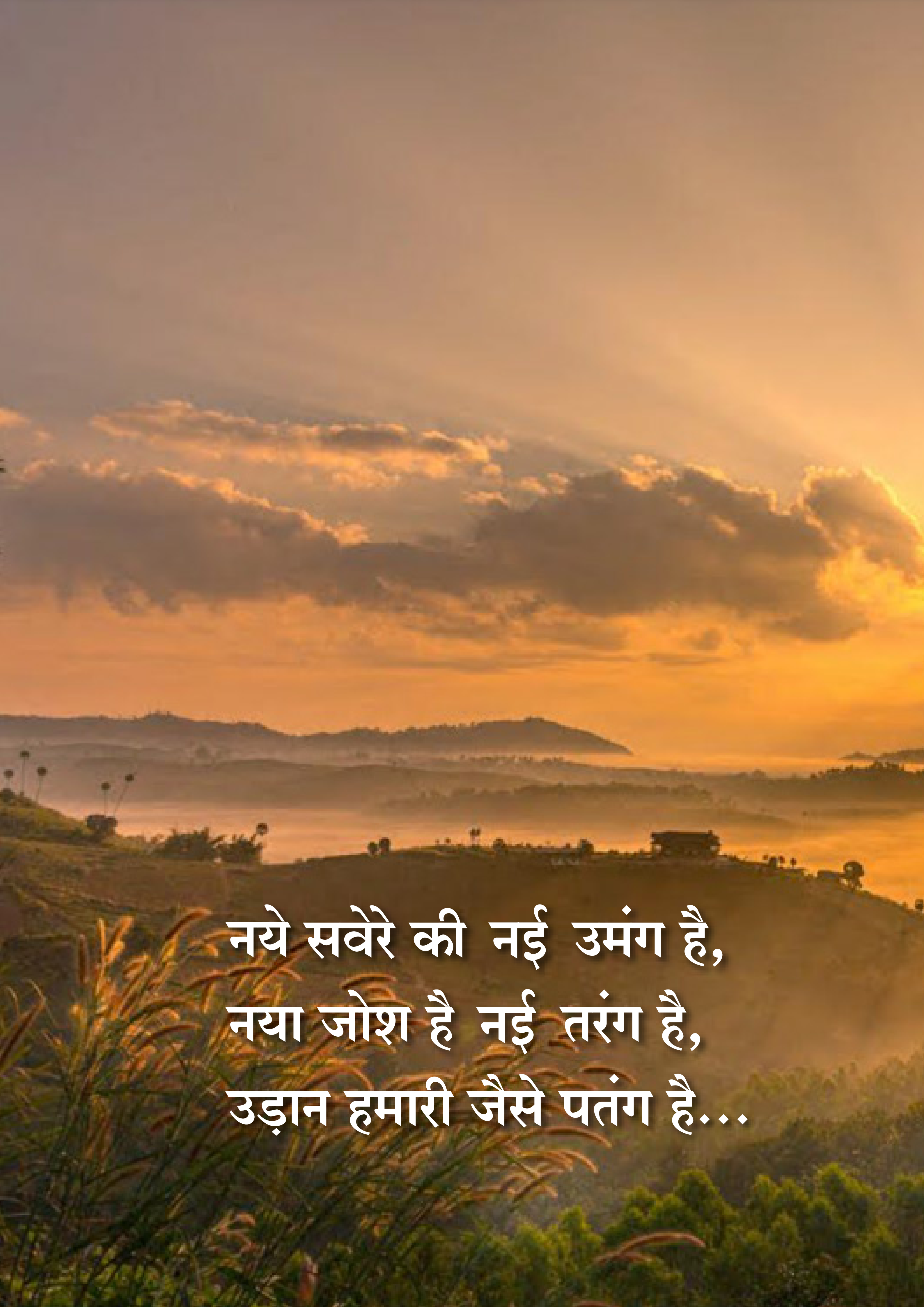
Contributor to 'Aatmanirbhar Bharat' with its products for mining and defence applications.

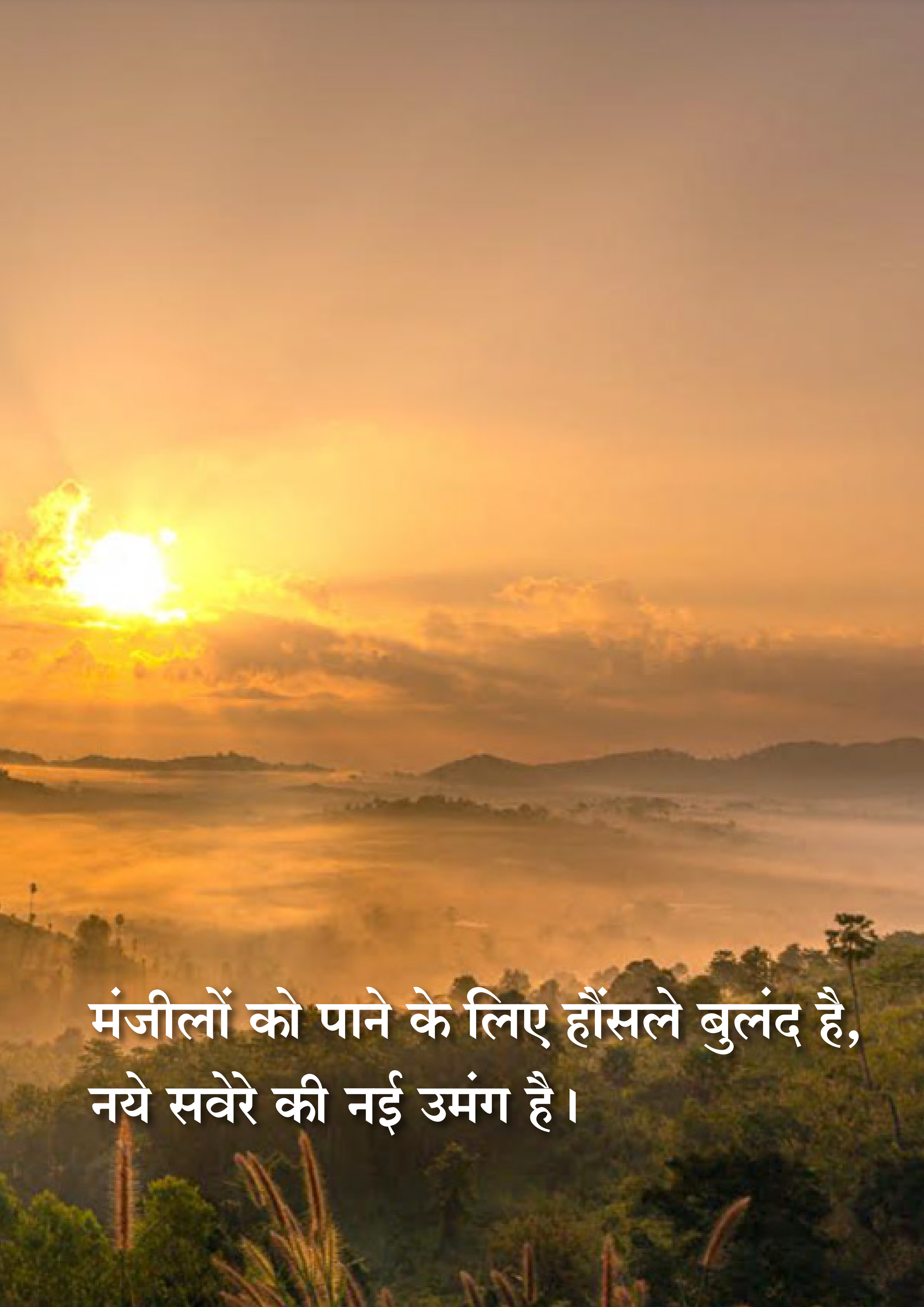
Globally recognised with presence in more than 55 countries

Making a positive impact to communities and societies

Operations and processes compliant to environment protection and preserve resources

Strong governance framework

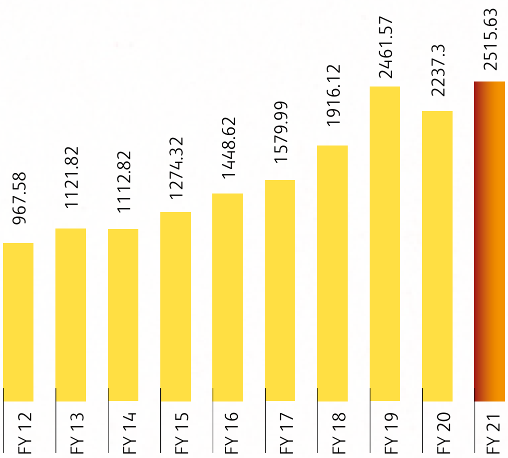

नये सवेरे की नई उमंग है,
नया जोश है नई तरंग है,
उड़ान हमारी जैसे पतंग है...


मंजीलों को पाने के लिए हौंसले बुलंद है,
नये सवेरे की नई उमंग है।

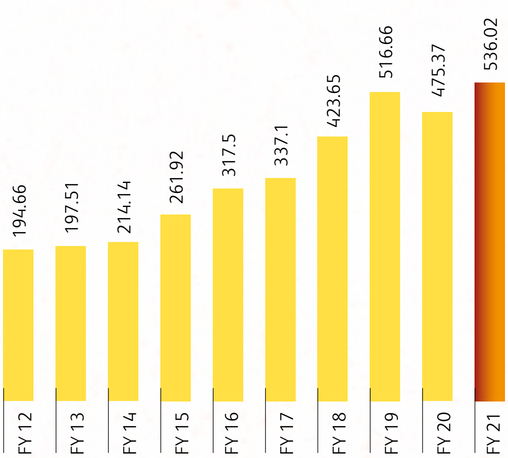
Financial Capital

We focus on optimising shareholder return by maintaining an astute mix of debt and equity in our financial capital. This enables us to deliver robust financial performances and meet the aspirations of our shareholders.

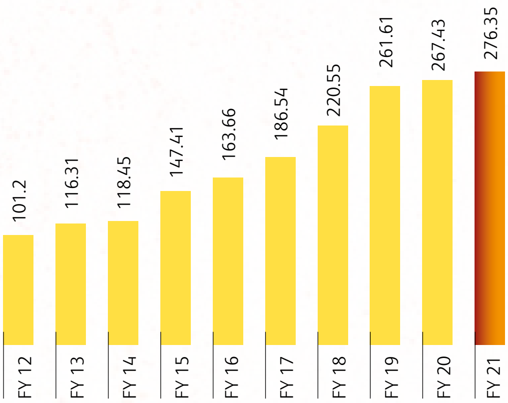
Net Sales (₹ in crore)



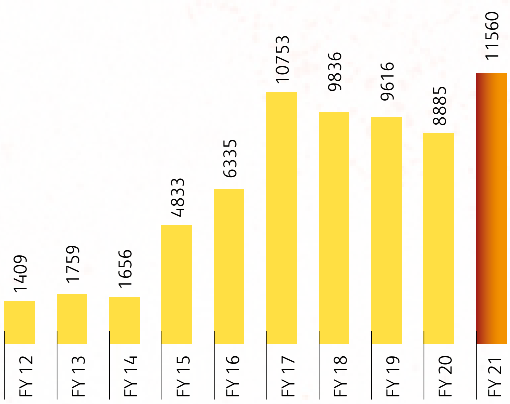
EBITDA (₹ in crore)



PAT (₹ in crore)



Market Cap (₹ in crore)



7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12.44% Net Sales (Y-o-Y)

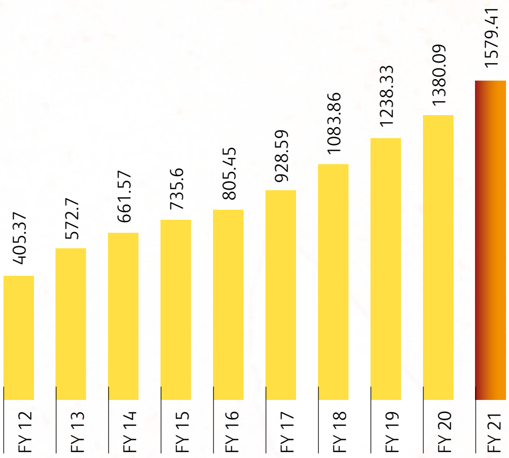
3.34% PAT (Y-o-Y)

12.76% EBITDA (Y-o-Y)

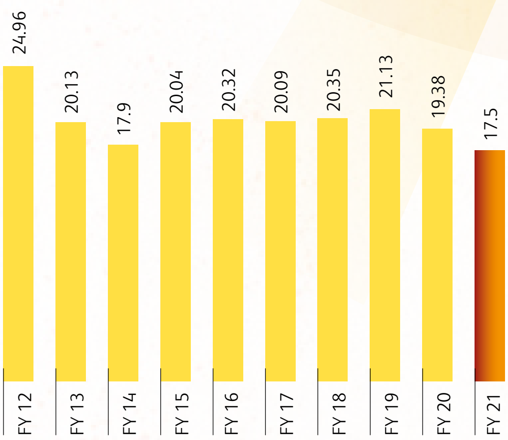
30.11% Market Cap (Y-o-Y)

₹199.32crore Net Worth (Y-o-Y)

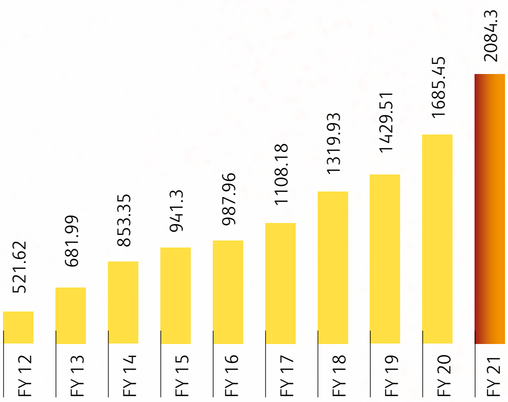
Net Worth
(₹ in crore)



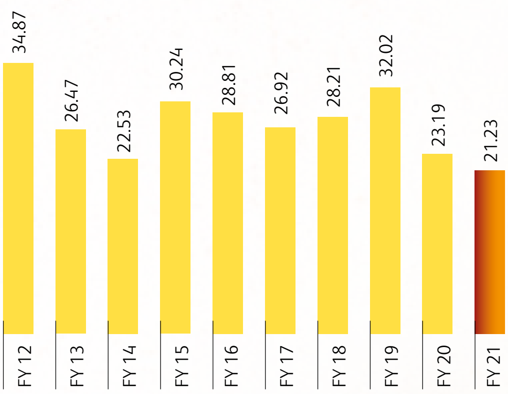
Return on Networth
(in %)



Capital Employed
(₹ in crore)



Return on Capital Employed
(in %)



Manufactured Capital

Our continuous investments in manufacturing operations help us expand our offerings and sustain business growth. Our resolute focus on improving our efficiencies enables us to deliver products that meet stringent safety and quality standards

Our manufacturing units located across countries, ensure we meet our customer needs every time. All our plants are equipped with advanced processes and machineries, backed by established safety protocols, that allow us to manufacture products with best technical properties and multiple applications.

Global Presence in **55** countries

34 Manufacturing facilities worldwide

Countries with Manufacturing Base (Existing)

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

Upcoming

Australia | Tanzania | Indonesia

States with Manufacturing Base (Existing)

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

Certifications

ISO 9001:2015 | ISO 14001:2015 | ISO 45001:2018

Explosives

Mining and Infrastructure

We are one of the leading manufacturers of industrial explosives with a diverse range of products. In last two and half decades, we have widened our market presence, added more customers and improved product performance.

Packaged Explosives

Bulk Explosives

Initiating Systems

Defence

Our growing presence in defence sector is a result of investments and dedicated efforts we have put in the last decade. The increasing order book and accelerated capacity utilisation ushers in the next era of growth story at Solar Industries India Limited.

Space Applications

We have partnered with ISRO to supply them propulsion system which is in synergy with with our ammunition business. Further, our investments in Skyroot Aerospace for manufacturing of Space Launch Vehicles has further strengthened our market standing in this space.


उमंग है कुछ नया कर दिखाने की,
उमंग है मंजीलों को पाने की...


उमंग है कामयाबी का परचम लहराने की,
उमंग है नया इतिहास रचने की।

Intellectual Capital

At Solar, we continuously innovate to stay relevant to our customer aspirations. Our technological capabilities and culture of innovation has been fundamental to our success and sustained business growth.

Deep domain expertise

Over the years, our success is built on our diverse and experienced people, who remain an integral part of our long-term value creation philosophy. This is backed by our strong management and leadership team with decades of experience, contributing to sustained business growth. Our processes and operations are benchmarked globally that help us command market leadership with products that deliver meaningful value to our clients.

Brand solar

Over the years, our sustained investments to expand our product portfolio and improve the brand value have enabled us to earn the trust and loyalty of a diverse customer base in India and abroad. Today, our growing brand recall is reflected in a strong brand equity, driven by all-round excellence across our value-chain.

MD explaining Indian Army Chief about Grenades manufactured by the company

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Research & Development

At Solar, we have established a Centre of Excellence (CoE) that is equipped with state-of-the-art equipments backed up by the tests protocols that are in-line with approval of CQA (ME), Govt. of India, and Ministry of Defence. The CoE ensures carrying out life assessment of Explosives and Propellants. Being at the forefront of innovation, our product development team continues to drive innovation by focusing on relevant sectors and their requirement.

The past five years have been illustrious for the R&D team at Solar. The team has worked tirelessly to introduce new products while also improve efficiency, quality and performance of existing products. Some of the new products innovations across slurry and emulsion explosives, low density bulk emulsion, electronic detonators, multilayer shock tube, hand grenade, igniters, high energy materials for warheads and munitions have delivered improved performance and accepted well by our customers.

Solar Group now become a leading player to incorporate barcoding in each of its products, thereby setting benchmark in securing the criticality of products manufactured along-with enabling the track and trace operations integrated within ERP Systems.

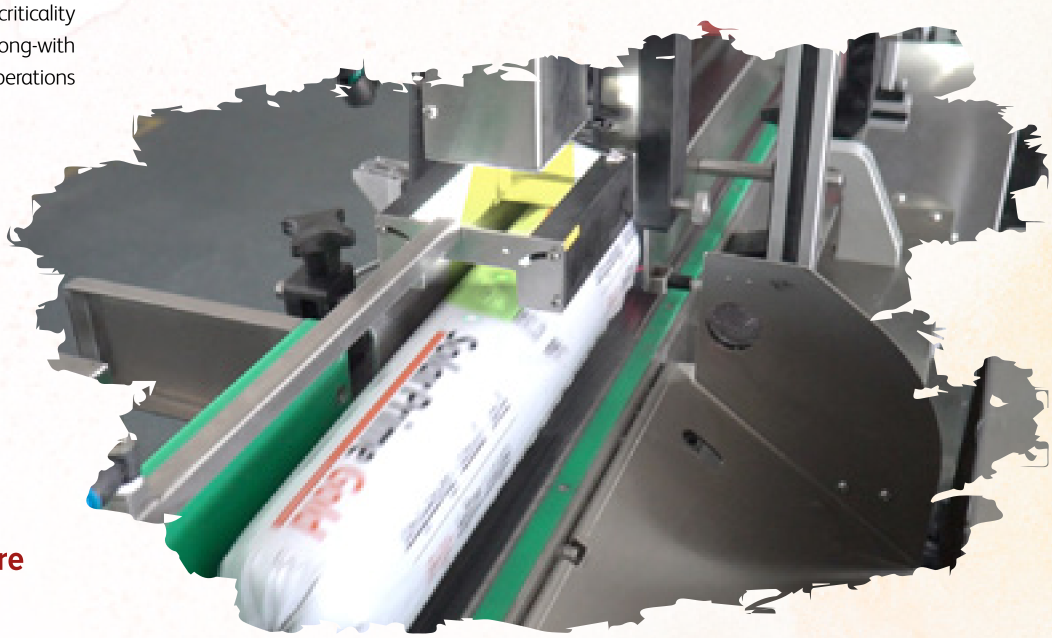
Total expenditure

₹77.5 Crore

R&D expenditure in last 5 years

₹10.63 Crore

R&D Expenditure during the FY-21



Human Capital

At Solar, we consider our people as cornerstones of our success. Our collaborative efforts and harmonious work culture augurs well to promote a diverse and inclusive workspace.

Our set of skilled, diverse and engaged team across the globe are the real strength of the Company. We have integrated our resources and built functions across the workforce that adds to their personal capabilities and our competitiveness.

7249
Employees as on March 31, 2021

Work place management 5s

We continue to enhance employee efficiency levels with an engaging work culture. Our existing

'5S Work Place Management'

model continues to result in improved productivity and efficiency levels of our employees across operations.

Well-being

Employee well-being remains of vital importance to the productivity and retention of people at Solar. We continue to invest in various programs aimed at strengthening the employee engagement across our area of operations. During the year we conducted a number of training and development programs aimed to empower the employee skill sets.

5348
Total man-hours of training

285
Training programs conducted

Diversity

At Solar we are continuously striving to build an inclusive culture that encompasses people of diverse backgrounds. Being a company with global presence, we monitor our commitments towards diversity inclusion, with policies framed to promote equality for all. We are striving to have a balanced proportion of women workforce and promote diversity in true sense.

Health & Safety

Operating in an highly sensitive industry environment, at Solar we are working towards building an environment and culture where safety underpins the operational process. All our plants are certified with ISO 14001:2015 and OHSAS 18001:2007 and certificates, that ensure best practices. Our Health & Safety Policy elaborates the proactive, precautionary and post-accidents measures that need to be followed under multiple circumstances.

77479
Total man hours of safety training

8.24
Million hours of injury-free workforce


नई सुबह की नई किरणों से
कदम हमें मिलाना है...


शक्ति, समृद्धि एवं सफलता के
नये आयाम बनाना है।

Natural Capital

Our decision-making processes and all business activities seek to ensure the highest level of environmental compliance and remains responsible towards usage of resources and safeguarding of natural resources.

Our approach

We perceive the significance of continuously improving our environmental footprint through quality of products, services, and processes. In an effort to manage our ecological footprint, we continue to optimise our use of natural resources by recycling our water efficiently, managing our waste, reducing air pollution and making an impact on the environment to use sustainable resources to achieve energy conservation targets.

Additionally, the company undertakes measures to train and raise awareness among its stakeholders of the environment, taking necessary action to spread knowledge and strengthen in-company communication aimed at employees, as well as promoting engagement.

Our Environmental Compliance

The company has implemented environmental management systems ISO 14001:2015 and occupational health and safety management system 45001:2018 certified in accordance with international standards. Further, during the year under review, we have complied with relevant laws and regulations to keep our emissions below the prescribed levels. So far, we have conducted internal and external audits to guarantee total adherence to environmental laws.

Waste Water Recycling

Reducing water consumption is an important area for Solar Industries. Our operations in various locations with medium-high level of water consumption and are endeavouring to optimise consumption and maximise the recovery from industrial sources. We have likewise established various exploration systems and energy efficient waste- water treatment processes like multi effect evaporation system to manage water generation from our operations. We rigidly screen these treatments and undertake further initiatives to reduce our water consumption.

102061KL*

Water recycled in FY21

* Consolidated

Water Conservation

Increasing urbanisation and its ecological impact is constantly depleting our natural resources. It has also created an acute shortage of water in many parts of the country. At Solar, we have implemented measures to conserve water. It is not only helping to secure the ecological balance but, also promoting cost efficiencies across the organisation.

We have initiated rainwater harvesting at our manufacturing plants, installed efficient water fixtures, sensors and steam traps to ensure optimum water utilisation. Our converse osmosis system and water recirculation system also assists our efforts to conserve water.

250332KL

Water consumption in FY21

Reduced Air Pollution

In FY2020-21, we continued our endeavours to reduce the potential impacts of our operations on climate change. To reduce greenhouse gas (GHG) emissions, and define a credible decarbonisation (CO_2e) pathway that increases our business resilience, we have installed an online emission monitoring system that provides real-time data for analysing emission trends.

We have also installed bag filters to control particulate discharge from boilers and scrubber systems. It also helps to treat exhaust gases and fumes produced during manufacturing processes. We ensure proper handling of liquid chemicals and solvents to reduce the outflow of organic compounds. Secondary vent condensers with chilled water/ saline solutions have also been installed to prevent emission of hazardous gases. We are also creating a green belt to improve the biodiversity around our areas of operation.

45189tCO

Greenhouse gas (GHG) emissions in FY-21

Energy Efficiency

Our energy management commitment involves our commitment and an improvement in energy performance in terms of efficiency, energy saving and sourcing of energy from renewable resources. Multiple initiatives for energy conservation were undertaken that have helped conserve energy as well reduce emissions.

97.69GJ

Energy reduction in FY 21

Social & Relationship Capital

Giving back to society is integral to our business philosophy and we endeavor to contribute for the upliftment of social infrastructure.

We have a well-structured approach for our community development projects, which are carried out in accordance with our CSR Policy approved by Board of Directors.

₹25.25 Crore
Total amount spent in last 5 years on CSR initiatives

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

5,937
No. of Suppliers

Our Focus areas for the community upliftment Projects.

Resilient against Covid-19

As part of our community development efforts, we were proactive in the fight against pandemic that engulfed the world at large. A dedicated Covid-19 response team was formed at Solar which monitored activities backed with adequate measures.

6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION
15 LIFE ON LAND

Business continuity

The initial lockdown in early FY21 did impact operations and supply chain, as physical movement of goods and people was restricted. With ease of lockdown restrictions and opening of economies, sectors like mining and infrastructure opened up, primarily contributing revival in our business. Our global manufacturing base and strong supply chain processes, helped us mitigate sourcing and logistic challenges to a considerable extent. Our efficient inventory management and effective debtors management also helped maintain record cash flows and robust working capital management.

Employee well-being

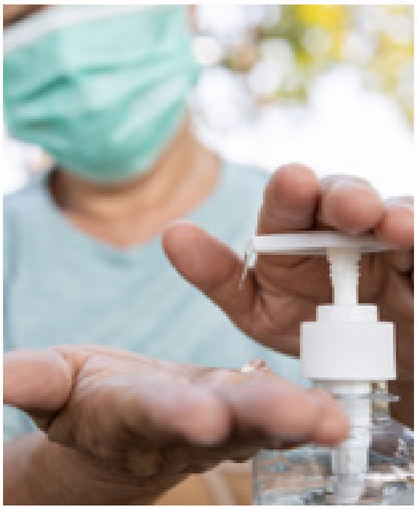
Prioritizing employee safety and health, we charted out a detailed roadmap of work culture amidst the pandemic. Strict safety and Covid-19 protocols were set up at workplace and manufacturing plants, aligned to guidelines set by regulators that ensured protection of all employees. Adequate provisions were put in place for employees to work from home, backed by digital tools and additional information protection tools. In the unfortunate event of employees impacted by Covid-19, right medical guidance, support and assistance was provided to the employees and their families.

Extending support to communities

As our country grappled with the Covid-19 crisis, we continued our efforts to ensure the health and well-being of people. We have arranged medical equipments like oxygen concentrators, Ventilators etc. at various hospitals in Nagpur. We have also contributed for setting up of Covid-19 Care Centre to fight the pandemic and curtail the virus outbreak.

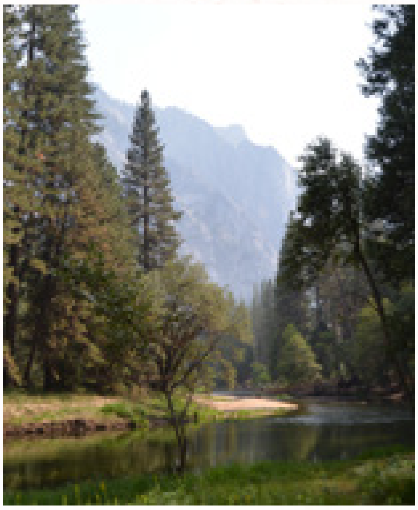
Health & Hygiene

We continued with our resolve to provide healthcare support to underprivileged in the society. We partnered with other community-empowering organizations to conduct free medical check-up camps in specific districts and villages and also arranged for ambulance services. As the country continues its fight against Covid-19, we remain committed to aggressively pursue sanitization and hygiene activities across specific public places within the area of our operations.



Environment Protection

Our stewardship towards forestation and soil conservation helped maintain biodiversity, soil productivity and regeneration capacity, while maintaining relevant ecological balance. Dedicated programs to protect forest resources and adhering to key elements of sustainable forest management have brought in visible results. We remain committed to progressively curate more programs and keep a check on deforestation within our area of operations,



Education

As part of our commitment to empower children with right to education, we stepped up our efforts to provide access to education for children that are usually deprived. During the year, we provided infrastructure support to schools in Nagpur and nearby villages.

Engaging with Stakeholders

Effective engagement helps translate stakeholder needs into organisational goals and creates the basis for effective business growth. We have a consistent flow of feedback from all stakeholders and it forms an integral part of our strategy for sustainable growth.

Shareholders & Investors

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
Shareholders Fund Managers Equity and Credit Research Analysts Institutional investors (Foreign and Domestic)	Investors are the core of our existence. We thrive to create long-term value for them.	Annual general meeting Quarterly Investor calls and presentation Investor Analyst Meets Annual report Press release Website updates Stock Exchange releases	Growth in RoE and EPS Timely dissemination and communication of material information Consistent Dividend payouts Strong Balance sheet Effective risk management

Value Created in FY 2020-21

30.54 EPS

17.50 RoE

Customers

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
International and Domestic: CIL and other Mining Companies Housing & Infrastructure Companies Defence Organisations Space Companies	Our customers are fundamental to our business, we strive to provide them quality products and meet their diverse needs.	One-to-One Interactions Site-Visits Customer Meeting E-mails Feedback Mechanism- Online Survey Digital channels Trial and improvement programs	Product safety quality reliability Confidentiality in case of Sensitive Contracts Operational efficiency Innovative products

Value Created in FY 2020-21

20 Years Average Years of Association

95% Customer Retention Rate

Business Partners

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
Vendors Service Providers Bankers	We rely on a number of business partners for smooth and uninterrupted operations on a daily basis.	E-mail communication Site Visits One-to-One Interactions Business partner survey Structured meetings	Contract Management Timely payment Fairness in business dealings

Value Created in FY 2020-21

54 Creditors cycle days

Employees

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
Permanent employees and Contractual employees	Our people are the foundation of our success, we leverage their skills and competencies to execute our growth plans and strategies.	Training and development programmes Employee engagement initiatives Regular updates through internal communication Employee satisfaction survey	Employee well-being Learning and Development Occupational health and safety Growth opportunities

Value Created in FY 2020-21

8.24 Million
Hours of injury-free workforce.

Government and Regulatory Bodies

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
Petroleum and Explosives Safety Organisation (PESO) Ministry of Defence SEBI and RBI Ministry of Corporate Affairs NSE, BSE Tax authorities, NSDL, CDSL Municipal Authorities	We regularly engage with regulatory bodies and institutions alike to ensure compliances to various laws and frameworks in all countries of our presence.	Reports One-to-one Interaction Events E-mail communication Letters	Compliance with industry norms, laws and regulations in substance and spirit Participation in various industry forums and meets Collaboration on national agenda

Value Created in FY 2020-21

₹ 109.03 Crore
Contribution to exchequer

Communities

Who are they	Why are they important	Engagement Mechanism	Key Concerns and Expectations
Community/Society NGOs Underprivileged Individuals	We remain committed towards our social responsibilities with multiple programs across key areas that continue to leave a positive impact on lives	CSR and sustainability initiatives One to one interactions Field visits Collaborations through NGO's	Upliftment of society Social concerns such as health, hygiene and water management Sustainable way of carrying business Environment friendly practices

Value Created in FY 2020-21

₹ 6.61 Crore
CSR spent

Risk Management

Risk management framework sets guidelines to ensure sustainability within our Business Model. The risk management committee, works closely on curating the mitigation plans for possible risks that might impact our business.

Financial Capital

Key Risks	Mitigation Strategy	Level of Risk
Economic & geo-political environment Volatile macro-economic factors and uncertain geo-political situations can lead to economic slowdown in the markets we operate	Our operational presence across countries backed by diverse downstream applications of our products, provides us adequate cushion against any possible economic slowdown.	**High**
Competition New entrants continue to pose a threat to sustaining our market share	We have a first-mover advantage, and are one of the leading players in the industry in explosives for mining, defence and space applications. Our deep domain knowledge, state-of-the-art manufacturing facilities, skilled work force, licenses and certifications, efficient sales force and economies of scale gives us a competitive edge.	**Low**
Currency Risk We export and operate in countries, being exposed to transaction and movement in currency values	We enter into forward and option contracts to hedge our positions against volatility in the exchange rates.	**Medium**
Volatile Raw Material Prices Ammonium Nitrate, a key raw material prices remains highly volatile in the international market. Diesel and industrial chemicals which are also linked to internationally traded commodities prices also impact cost of raw materials. Fluctuations in the prices of these products could adversely affect profitability levels.	We have price escalation clause with our clients, ensuring adequate provision for any price volatility on major raw materials in our margins.	**High**
Client Concentration Risk Government sector contributes to considerable part of our revenue. Change in policy or financial instability of any of our customers may materially impact our revenue.	Long-term contracts with exit charge clauses safeguard our revenue. Apart from marquee government bodies as our clients, we also have adequate revenue from exports and defence that reduce our dependence on specific customer portfolio.	**Low**

Human Capital

Key Risks	Mitigation Strategy	Level of Risk
Occupational Health & Safety Our nature of operation is sensitive and even a small non-adherence to any of the safety measures can result in injury or loss of lives and affect business sustainability.	We have the highest commitment to safety for each of our employees and invest in the latest technologies, equipment and follow SOPs. We nurture a safety culture in the organisation through a top down and bottom-up approach. Compulsory safety induction and training programme is provided to our employees and concerned stakeholders.	Medium
Recruitment and Retention risk Failure to recruit and retain talented professionals can deter the growth plans	The brand solar continues to attract right candidature across diverse fields. Building an engaging work culture, that is inclusive, has resulted in an engaged working with us for a longer period of time.	Medium

Social and Relationship Capital

Key Risks	Mitigation Strategy	Level of Risk
Compliance Risk Operating across multiple geographies, we need to adhere to various dynamic local and international laws, rules and regulations. Non-compliance might challenge operational functionality.	We have a dedicated experienced in-house compliance team with strong system and process in place to ensure adherence to evolving rules and regulations. The "Compliance Module" called 'Legatrix' has been implemented from April 1, 2021, across the organization, which is devised to ensure compliance with all applicable laws that impact the Company's business.	Medium
Customer relationship management Loss of customers might result in loss of revenue thereby questioning business viability.	We are a customer-centric company deriving a significant portion of our revenue from tenured customers who have been associated with the Company for long. This is the testimony of our strong relationship management.	Low

Risk Management

Intellectual Capital

Key Risks	Mitigation Strategy	Level of Risk
Technology Risk The technological landscape has been evolving at a rapid pace. The inability to adapt to new technologies may reduce the demand for our products and negatively impact our business.	We have a dedicated R&D team that is constantly working on developing new product development. This involves ideation on design and performance for the production of new or substantially improved products and processes.	**Low**
Cyber Risk Cyber-attacks could result confidential information leakage and data loss. This could lead to financial loss, business and customer service interruption.	We have developed a comprehensive and multi-layer security system in place to identify any possible breach of security through cybercrime. We also have a detailed policy framework with constant upgrades for effective data management. There are periodical audits conducted to reassure the confidence.	**Medium**

Manufactured and Natural Capital

Key Risks	Mitigation Strategy	Level of Risk
Permits and license We have presence in more than 55 countries that need various licenses, certifications and approvals. Our inability to obtain the required licenses and certificates might adversely affect our operations.	We have a rigorous procedure to monitor any changes in the regulatory environment. Strong relationship with multiple stakeholders gives us an edge to secure and maintain our licenses.	**Medium**
Environment Compliance Higher compliance standards have been set-up by regulatory bodies for environment protection. Off-late there has been enhanced requirement from stakeholders for better performance in the field of environment and climate change. Non-compliance of related laws can hinder business activities and result loss of investor confidence.	We have always been proactive and have taken innovative approach to become a more environmentally sustainable organisation. We have inculcated sustainability DNA in our organisation for futuristic planning, designing and operations. We have built an integrated manufacturing system in place that helps recycle resources and minimize waste. Our investment in enhancing waste management systems, over the years, has helped reduce negative impact on the environment.	**Low**

Our ESG Focus

Sustainable development is a fundamental concept that is reshuffling the way our world works. At Solar, we are integrating long-term sustainability into our core business operations by creating value for the Environmental, Social, and Governance aspects altogether. With the start of this new decade, we are determined to move a step further in our ESG journey.

Our commitment starts by meaningfully engaging with our stakeholders to identify key focus ESG areas, which helps us to build an agile and resilient organisation. Through this report, we aim to provide summary of our ESG performance.

SDG Mapping

Focus Area	Material Issue	SDGS Linkage
ENVIRONMENT	• Climate Change, Energy & Emissions • Environmental risk and compliance • Biodiversity • Water Conservation and Management • Waste & Hazardous Materials Management	
SOCIAL	• Community Relations • Customer Satisfaction • Diversity & Inclusion • Human Rights • Employee Well Being • Occupational Health & Safety • Responsible Sourcing • Skill Development	
GOVERNANCE	• Business Resilience • Regulatory Compliance • Critical Incident Risk Management • Ethical Business Performance	

Aligning with the Global Goals

We are committed to play our part in achieving the United Nations Sustainable Development Goals (SDGs). Our sustainability approach aligns with the specific goals and aims to build a better planet for all living beings. We assess our activities and their impact on the SDGs and identify related risks to remove barriers in the way of a sustainable future.

SUSTAINABLE DEVELOPMENT GOALS

Environmental Performance

Key Highlights FY21

Reduction in Energy Consumption

97.69 GJ

In the Environment

ZERO LIQUID DISCHARGE

Water reduction as compared to FY 20

2.7 %

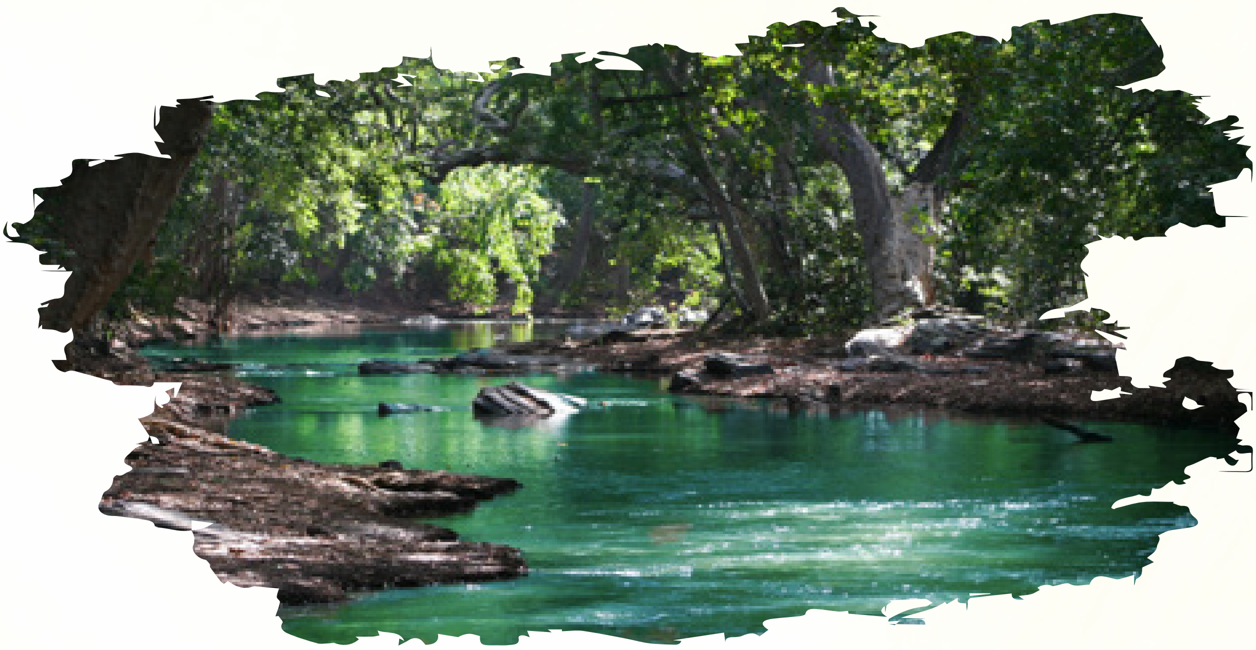
Saved of ground water abstraction

~20%

Climate Change, Energy and Emissions

No challenge possesses a greater threat to future generation than Climate Change, and we are working continuously towards it. We took various energy conservation initiatives like substitution of ordinary, CFL lamps and Sodium Vapour lamps, outdated pumps and motors and AC systems to reduce our total energy consumption.

For GHG Emissions, we continued to define a credible decarbonisation pathway to increase our business resilience. With initiatives like installation of dust collectors, bio-briquette fired boilers and secondary vent condensers, proper handling of liquid chemicals and solvents, we are on a path to continuously reduce our GHG emissions.



Our ESG Focus

Environmental risk and compliance

At Solar, we pursue and implement highest standards of compliance with environmental regulations to ensure that our activities have the minimum impact on the surrounding environment. Towards this end, we regularly monitor our operations to assess and minimise our environmental footprint. Additionally, we execute internal environmental audits to track the possible risks that can arise out of our business activities and immediately take actions to prevent environmental incidents.

Biodiversity

One of our main environment-centric efforts is directed towards the preservation of the biodiversity that surrounds us. None of the Solar's sites fall within protected area and of high biodiversity value. There are no endangered flora and fauna species as per Wildlife Protection Act,1972 in the areas we operate. The foreseen impacts to adjacent Kondhali forest reserve is compensated by an existing fencing green belt, which encompasses 62.5 Ha developed and thick blanket of green cover around the factory boundaries.

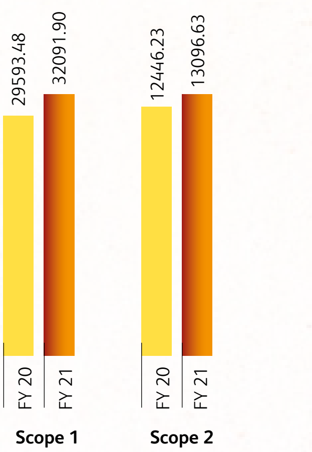
Additionally, vehicular movement is restricted at night to create a conducive environment for birds and other animals in the region. It is also ensured that there is no discharge of liquid and solid waste in the environment. An EIA study was also conducted in the year, 2017-18, which was submitted to the Ministry of Environment, Forest and Climate Change (MoEFCC).

Water Conservation and Management

We take concerted efforts towards the rightful conservation and management of water through our carefully planned measures. Some of the initiatives

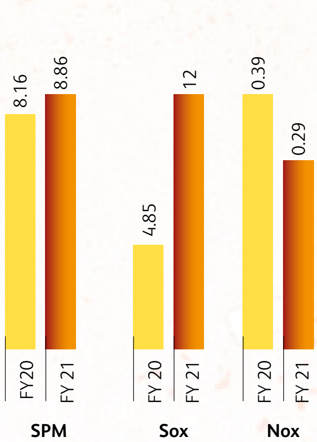
GHG Emissions

($MTCO_2e$)



Pollutants Emissions

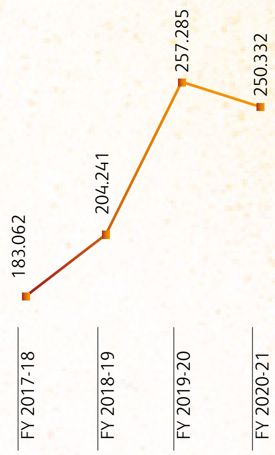
(tons)



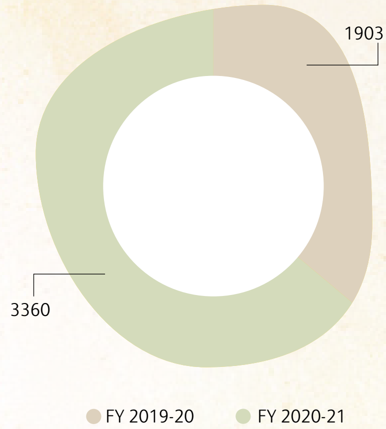
taken towards water conservation include rainwater harvesting systems preserving rainwater for developed check damns, installing efficient water fixtures, sensors and steam traps to control water utilization. In addition to this, our converse osmosis system and water recirculation system also assist with expanding water recovery from wastewater.

Reducing water consumption is an important area for Solar Industries. Our operations in various locations of water consumption are endeavouring to optimise the consumption and maximise the recovery. To ensure optimum utilisation of the water resource, we have established various exploration systems and wastewater treatment processes to manage water generation from our operations. Moreover, we rigidly screen these treatments and undertake further initiatives to reduce our water consumption. In FY 2020-21, we have recycled 48,121 KL of treated effluent water. This has enabled us to save ~20% of ground water abstraction.

Total water withdrawal
(in ML - Ground water)



Water discharge by level of treatment - Solar Evaporation of RO Reject water
(in ML)



Waste & Hazardous material management

We have a well-established policy to minimize waste. Also, we have implemented a mechanism that helps us in segregating explosive and non-explosive waste from our processes. We recycle most of the useful wastes and the remaining is destroyed being explosive in nature. The Company has set up acetic acid distillation unit for concentrating the dilute acid and reusing it completely in the process. Simultaneously, some other by-products are processed for making useful raw materials to be used in process of other products. Treated wastewater of HMX/RDX plants is fully utilised in other process as raw materials.

We are also complying with the guidelines of Explosives Rules, 2008 and authorisation for Hazardous and other wastes (Management and Transboundary Movement) Rules,2016 for disposal of hazardous wastes to the CHWTSDF facility as approved by Maharashtra Pollution Control Board. Furthermore, we ensure to send electronic wastes for recycling through registered dealers.

192.4 MT

Hazardous waste generated and disposed in last 2 years

3596.85 MT

Non-hazardous waste generated and disposed in last 2 years

Our ESG Focus

Social Performance

Community Relations

Being a responsible organisation, we are consistently focusing on driving lasting value for the communities around us. Year after year, we direct our efforts towards the upliftment and improvement of the vulnerable sections of society.

The outbreak of the pandemic has tested human vulnerabilities, making it crucial for organisations to step in and work for the well-being of society. The relief measures undertaken by us to combat the Covid-19 induced disruptions include supply of essential food items , distribution of medical equipments like Oxygen Concentrators, Ventilators etc and establishment of the Covid-19 care centre.

During the year under review, we promoted and contributed towards educational initiatives such as providing education to enhance students in the Maharashtra region.

We regularly focus on developing crucial initiatives to ensure public well-being along with an accessible healthy environment for our communities. During the fiscal, our measures in this area included provision of ambulance, cost-free medical check-up camps for local communities and initiatives to improve sanitation and promote hygiene.

Key Highlights FY21

Total CSR spend

₹ 6.61 Crore

Employee well-being

We are regularly seeking ways to invest in the development and upgradation of our talent pool. To achieve this, we organise activities and training workshops with a purpose of enhancing professional and personal skill sets. Additionally, we also ensure that our employees work in an environment that is not only cordial but also safe.

Some of the benefits given to our employees include life insurance, healthcare, disability coverage and retirement provisions.

To know more about our employee well-being, safety, diversity and engagement programs, please read page **22** of this Annual Report

To know more about our community development efforts, read page **28** of this Annual Report

Customer redressal

Being part of an explosive industry that requires strong due-diligence in operations, we have strict guidance and quality checks in place. A dedicated customer complaint redressal team ensures proper grievance resolution at all times. During the year, we received zero grievances from our customers in regards to quality of product or services.

Stakeholder Engagement

At Solar, our stakeholders form an important part of ecosystem. We have a consistent flow of feedback from all stakeholders and it forms a cornerstone for sustainable growth.

To know more about our Stakeholder Engagement, read page **30** of this Annual Report

Governance

Solar is a stakeholder centric company involving stakeholder interests in all operations and business decisions. Our stringent corporate governance model is founded on the philosophical pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly engraved which is reflected in our business practices and work culture.

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

Committees of Board

Audit Committee

- Oversight of financial reporting process.
- Evaluation of internal financial controls and risk management systems.

Stakeholders Relationship Committee

- Monitor and review any investor complaints received by the Company
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;

Nomination and Remuneration Committee

- Board diversity in skill, industry and gender

Corporate Social Responsibility Committee

- Curate the programs aligned to social objectives

Risk Management Committee

- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

Executive Committee

- Reviewing strategic and operational plan of the Company and advising on its execution to the Management.
- Guiding the management and executives whenever required on day to day administration.

Responsible Sourcing

We have structured our processes to procure goods and services from vendors within the vicinity of our operations. As part of our long-term value-creation philosophy, we have built strong relationships with vendors, who have adopted to our requirements and modified their operations to ensure consistent quality of delivery at all times. Our commitment to engage with local vendors aligns to the nation's vision of 'Vocal for Local'.

Our ESG Focus

Our Sustainability Policies

We have a comprehensive policy framework to drive our sustainability agenda, in line with our mission. Our Sustainability Policies are crafted to address the needs of the entire gamut of our business needs, and include policies on:

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

Risk Management

Solar's risk management takes into consideration nature, scale and complexity of the business. Risk Management committee assists the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance control and financials have been identified, assessed and adequate controls are in place to mitigate these risk.

To know more about our Risk Management framework, please read page **32** of the Annual Report

Ethical Business Conduct

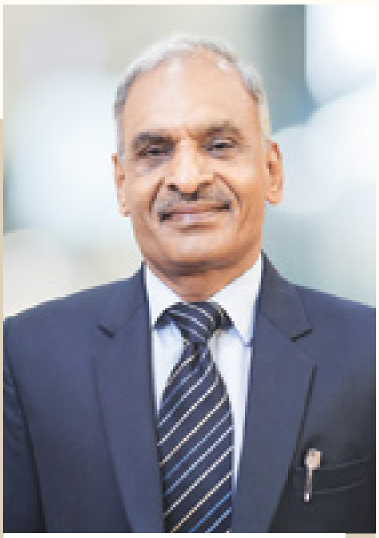
At Solar, business ethics is of paramount importance and one of our most valued assets. To instil high levels of discipline and conduct, we are continuously working towards and implementing significant measures that are attuned to exhibit and integrate ethical values and behavioural norms across all the organisational levels. Furthermore, we are also strengthening the moral attitude of the organisation, management and employees to ensure that our activities and operations abide by our business ethics guidelines.

Regulatory Compliance

While we aspire to achieve our organisational goals, we also focus on ensuring that our activities and practices comply with relevant laws, guidelines, policies and regulations.

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

Board of Directors



Shri Satyanarayan Nandlal Nuwal
Chairman and Executive Director

Shri Manish Satyanarayan Nuwal
Managing Director & CEO

Shri Anil Kumar Jain
Executive Director

Shri Suresh Menon
Executive Director

Shri Dilip Patel

Non-Executive Independent Director

Shri Amrendra Verma

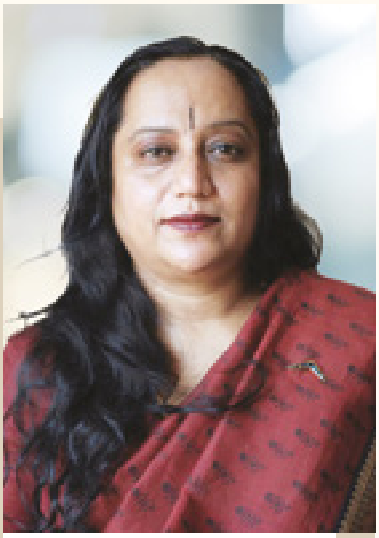
Non-Executive Independent Director

Shri Ajai Nigam

Non-Executive Independent Director

Shri Sunil Srivastav

Non-Executive Independent Director



Smt. Sujitha Karnad

Non Executive Independent Director

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal
Chairman and Executive Director

Shri Manish Nuwal
Managing Director and CEO

Shri Anil Kumar Jain
Executive Director

Shri Suresh Menon
Executive Director

Shri Dilip Patel
Non-Executive Independent Director

Shri Ajai Nigam
Non-Executive Independent Director

Shri Amrendra Verma
Non-Executive Independent Director

Shri Sunil Srivastav
Non-Executive Independent Director

Smt Sujitha Karnad
Non-Executive Independent Director
(w.e.f December 15, 2021)

Joint Chief Financial Officers

Shri Moneesh Agrawal

Smt Shalinee Mandhana
(w.e.f May 27, 2021)

Company Secretary & Compliance Officer

Smt Khushboo Pasari

Corporate Identification Number

L74999MH1995PLC085878

Registered Office

"Solar" House 14, Kachimet,
Amravati Road,
Nagpur, MH 440023
Ph: +91-712-6634555
E-mail: solar@solargroup.com

Registrar and Transfer Agents

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

Statutory Auditors

M/s S R B C & Co. LLP

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

Jointly with

M/s Akshay Rathi & Associates

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

Bankers

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

Grievance Redressel Division

investor.relations@solargroup.com

Risk Management Committee

Shri Manish Nuwal
Chairman

Shri Anil Kumar Jain
Member

Shri Suresh Menon
Member

Shri Dilip Patel
Member

Shri Amrendra Prasad Verma
Member

Shri Vivek Aprajit
Member

***Shri Moneesh Agrawal**
Member

***Smt Shalinee Mandhana**
Member

***Shri Sanjay Singh**
Member

***Shri Kedar Ambikar**
Member

(Members of the Risk Management Committee w.e.f May 26, 2021)*

Audit Committee

Shri Dilip Patel
Chairman

Shri Sunil Srivastav
Member

Shri Amrendra Verma
Member
(w.e.f May 27, 2021)

Shri Manish Nuwal
Member

Stakeholders Relationship Committee

Shri Amrendra Verma
Chairman

Shri Manish Nuwal
Member

Shri Anil Kumar Jain
Member

Nomination and Remuneration Committee

Shri Amrendra Verma
Chairman

Shri Dilip Patel
Member

Smt Sujitha Karnad
Member
(w.e.f May 27, 2021)

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Shri Ajai Nigam
Member

Executive Committee

Shri Manish Nuwal
Chairman

Shri Anil Kumar Jain
Member

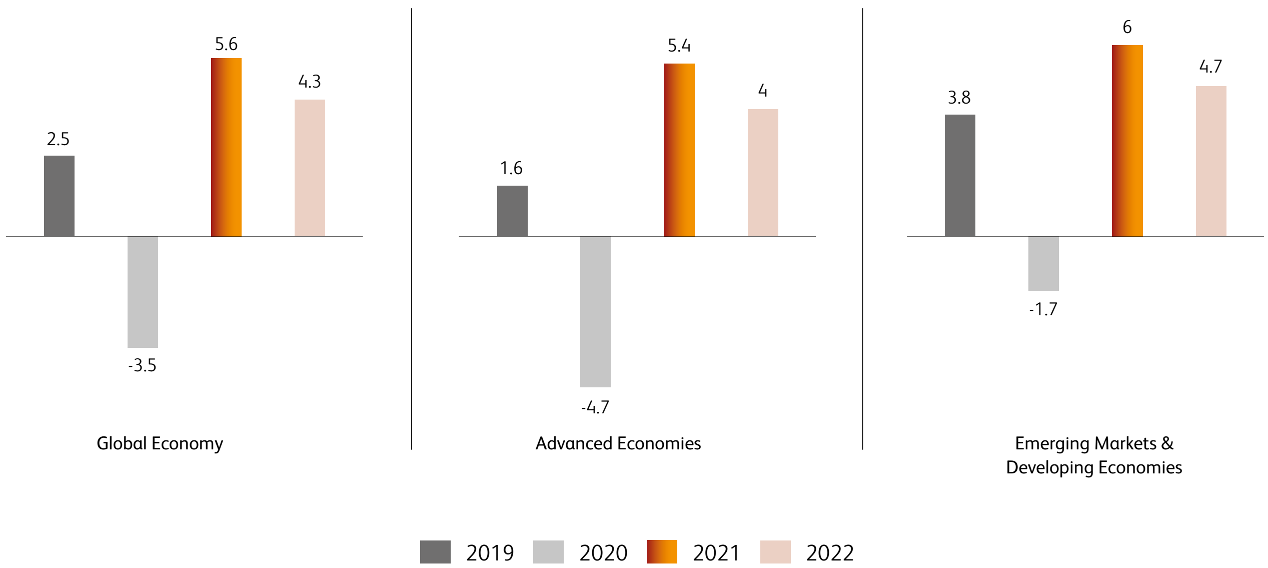
Shri Suresh Menon
Member

Management Discussion and Analysis (MDA)

Global Economy - Macro View

During FY2021, the Covid-19 pandemic struck a huge blow to the global economy due to the lockdown and containment measures required to control the spread of the virus. Massive disturbance in the global supply chain and regional production network resulted in colossal social and economic dents across communities, and countries. Most economies around the globe contracted, with the global economy contracting by 3.5% in 2020.[1] While industrial production undertook an unscheduled and prolonged halt, the contact intensive sectors were disproportionately hit hard. An overwhelming burden of the fallout was borne by the less-skilled workers, youth, women, small businesses and low-income countries. The policy-makers across the globe responded with financial stimulus and unprecedented accommodative monetary policies to cushion the sinking economy of respective nations. The financial packages, however, differed across countries depending upon the economic strength. Many countries, particularly the low income and developing countries, entered the crisis with pre-existing structural imbalances in their economy coupled with high debts.

World Economy - Growth Projections



Source: IMF World Economic Outlook April 2021

The global prospects have shown signs of an improvement in the second half of 2020, with fiscal support offered by the countries' leading organised structures starting to make an impact. Further, the announcement of additional monetary support policies in a few countries and expectations of vaccines being available soon boosted economic activity, especially in large emerging markets. China, India, and Turkey saw economic activity moving to pre-pandemic levels on the back of strong initiatives and a robust recovery in some sectors. Among the developed economies, Europe and the UK have taken a major hit with large part of the economies closing down again at the end of 2020 due to rising cases. In the US, however, economic activities got a boost due to strong fiscal measures taken to tackle the meltdown. The prospect for recovery has improved with most countries bouncing back to better-than-expected numbers by the end of the year.

Outlook

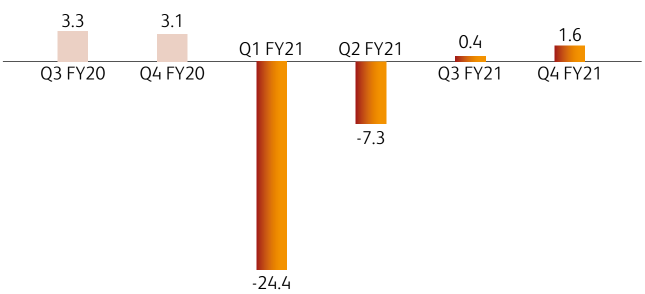
The global economy is projected to grow at 6% in CY2021 and moderating to 4.4% in CY2022. The optimism around the increase in GDP growth is due to more-than-expected-recovery in the last quarter of CY2020 and availability of vaccines. The fragility of the growth momentum is compounded by the fact that most nations entered the crisis with huge public debt and have limited capacity for enduring the subsequent crisis. While the threat from the new virus strains and sporadic lockdowns in limited areas still exists, the global economy is poised to maintain its recovery trajectory, led by faster revival in some of the advanced economies.

[1]https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021

Indian Economy - The Road Ahead

The Indian economy contracted by 7.3% during FY2021 amidst an unprecedented health crisis due to the Covid-19 pandemic.[2] The pandemic led to a decline in several sectors, leading to rise in unemployment and uncertainty going forward. The economic output suffered a deep contraction as production centres experienced supply chain and demand disruptions. The people aggregating sectors such as travel and tourism and airlines are yet to witness a turnaround in their trajectory. While contact intensive services and industries were hit hard, the agriculture sector remained comparatively less affected. Government consumption and net exports have cushioned the growth from diving down further.

GDP Growth in last few Quarters (GDP (%)



Source: MOSPI

The phased unlocking of the economy boosted demand and production, however, movement was restricted till Q2FY21. This did not stop the economy from reaching its flash point in Q3FY21 due to materialisation of pent-up demand. The high frequency indicators such as power consumption, e-way bills, rail freight and GST collections rebounded to their pre-Covid levels during the second half of the fiscal year. The MSME sector witnessed robust credit growth, manufacturing sector rebounded and index of industrial production (IIP) started to normalise towards the end of Q3FY21.

There were several progressive policy actions taken by the central bank and the Government of India which helped stimulate demand while fulfilling obligations for social security and economic opportunities for citizens. The central bank ensured liquidity, provided regulatory support in the form of moratorium on loans and maintained an accommodative monetary policy. Despite breaching its inflation target of 2% to 6%, the RBI pursued unconventional monetary policies to reduce interest rates through open market operations, asset buyback and Government securities acquisition program (G-Sec).[3] The Government also offered a fiscal stimulus package, promoted the idea of building a self-reliant economy and developed initiatives for promoting 'Make in India' initiatives. The budget for FY22 echoes the Government's commitment to move towards infrastructure-led development, which is expected to boost private investments and accelerate economic recovery in the days ahead.

The Indian economy is wading through uncertainty and the recovery is dependent on several crucial factors like controlling the new wave of infections, providing vaccination for all and adjusting to the unexpected situation with greater agility. Furthermore, stable monsoons, taxes on petroleum products and international commodity prices can exacerbate cost push inflation. Based on the recovery that the country had witnessed in the second half of FY2021, we must recognise the fact that we have the capacity to develop ways to recover in dire situations. The need of the hour is to maintain a united front as a nation and strive to follow expert recommended methodologies diligently and hope for a push towards normalisation again.

Outlook

India is expected to come out on top as the fastest growing economy in the next two years[5] with a projected GDP of USD 5 trillion by FY2025. It is expected to be the second largest economy in terms of purchasing power parity (PPP) by 2040, surpassing the US.[4] Monetary policy projections are consistent with achieving the Reserve Bank of India's inflation target over the medium term.[3] The Government has emphasised on self-regulation, self-attesting and self-certification and plans to reduce more than 6,000 central & state level compliances this year to minimise the burden on companies, especially Micro, Small & Medium Enterprises (MSMEs). The Government wishes to increase efficiency of the Indian companies and boost efforts to make manufacturing in India globally competitive.[5]

Global Industrial Explosives Industry

The demand growth for minerals, coal, and metals like gold and silver, that lie deep inside the earth's crust, is driving the demand for industrial explosives, which are also widely being used in the infrastructure industry, for tunnelling and other purposes. Besides, the willingness of the construction workers to use industrial explosives to save time and labour costs, continue to boost the industrial explosives industry.

The global industrial explosives market was worth USD 11010 million in 2019. According to experts, the market is expected to clock a CAGR of 5.4% through 2021-2027 to reach USD 16000 million[2].

Owing to increased construction and mining in developing regions of the Asia Pacific, particularly in India and Indonesia, infrastructure spending and development investments have increased. Furthermore, due to the growing demand for sand and stone from the construction industry, the quarrying industry is expanding at a steady pace in the Asia Pacific region.

[2]http://www.mospi.nic.in/sites/default/files/press_release/Press%20Note_31-05-2021.pdf
[3]https://rbi.org.in/Scripts/Annualpolicy.aspx
[4]https://www.ibef.org/economy/indian-economy-overview
[5]https://www.pib.gov.in/PressReleasePage.aspx?PRID=1702669

Key International Markets

4.5%
EXPECTED GDP GROWTH IN 2021

Turkey

The World Bank estimates the turkish economy to expand by 4.5% in 2021. Turkey's economy avoided a contraction in 2020 and is estimated to have registered 0.5% growth amidst a substantial expansion in credit line.

The sharp increase in Covid-19 cases from the month of February 2021 onwards, weaker international tourism, and a tighter-than-anticipated Monetary Policy is likely to weigh on the economic recovery of the country.

The explosive industry caters to a large world class construction industry, apart from the mining industry. The depreciation of the currency - Lira - and higher interest rates have pushed the borrowing cost. However, this sector is expected to grow at 5.0% annually at least up to 2025 based on the Government's interest to develop the nations transport, residential and energy infrastructure and harness the vast untapped mining potential.

1.9%
EXPECTED REAL GDP GROWTH IN 2021

Zambia

In 2020 the economy of Zambia fell, with real GDP contracting by 4.5% due to the adverse impact of the pandemic. With the exception of certain sectors such as agriculture and communications technology, negative growth was recorded across all the economic sectors during CY2020. The real GDP is anticipated to rise to 1.9% in CY 2021 and further increase to 3.1% in CY 2022 with the normalisation of the situation.

Anticipated higher copper prices and completion of the new Hydro Power Project is expected to support growth in mining and agriculture. Mining has predominantly been Zambia's economic contributor and principal export commodity. In recent years, the increase in infrastructure development has seen growth in the construction industry. Mining output had initially weakened due to falling global copper demand but recovered with 10.8% higher copper production in 2020. The elections in August 2021, however, does not pose any major risk to the mining and construction industry.

2.5%
EXPECTED REAL GDP GROWTH IN 2021

Nigeria

One of Africa's leading economy, Nigeria has a population of 209 million people and the economy is highly dependent on oil and also vulnerable to its price fluctuations. Therefore, the Covid-19 pandemic and the fall in oil prices strongly influenced Nigeria's growth. The Nigerian economy is estimated to have retracted negatively by 4.3% in 2020.

As per the IMF's April forecast, GDP growth is expected to resume in 2021, and is estimated at 2.5%.

The industrial sector development of the country has been constrained by power shortage. Nigeria recently started extraction of tin ore and coal for domestic use while other minerals such as iron ore, limestone, lead, zinc among others,continue to be extracted.

4.5%
EXPECTED REAL GDP GROWTH IN 2021[1]

Australia

The economic activity in Australia has bounced back strongly as government restrictions eased. While GDP in Q4 of 2020 was still 1.1% below the previous year's level, earlier economic activities improved through the last quarter and into early 2021.

Employment in February 2021 was back to pre-Covid levels despite the continuance of key sources of uncertainty such as a sharp bounce back, threat of Government restrictions and border closure.

Mining firms expect a strong lift in capex in 2021-22 aided by a sharp lift in commodity prices.

The mining sector remains Australia's single largest sector despite concerns about the impact of the pandemic and mining exports witnessed growth in both, quantity and value. However, the mineral fuel sector struggled in 2020, leading to an 8.3% decline in the export of coal, which hurt the explosives industry in Australia.

3.1%
EXPECTED REAL GDP GROWTH IN 2021[1]

South Africa

During the recent Mining Indaba, the world's largest mining investment conference, the Department of Mining Resources and Energy emphasised that the Government was eager to build on the positive collaboration with the mining industry. This collaboration led to the industry's rapid recovery from the lockdown.

Specific goals were earmarked to lift the mining contribution from 8% of GDP to 10% of GDP, which includes governance, permits, local participation beside others. The economy is expected to rebound in CY 2021, owing to the increase in domestic demand and commodity export.

4.6%
EXPECTED REAL GDP GROWTH IN 2021[1]

Ghana

Ghana is Africa's second largest producer of gold and has an abundant supply of diamonds and oil. Agriculture accounts for around 17.3% of GDP, employing 30% of the country's workforce while the industry sector accounts for 32% of the GDP and 21% of the workforce. Among the top sectors, the industry is dominated by mining gold, bauxite and manganese.

Despite being one of the fastest growing economies in Africa, Ghana's economy plunged into a recession in CY2020 due to the Covid-19 pandemic and the country saw a record fall in oil prices. Nevertheless, with the improvement of the situation, the GDP is expected to increase by 4.2% in CY 2021.

Growth drivers for the global industrial explosives industry

Housing and infrastructure:
Growing number of housing and infrastructure schemes along with the development of public transportation services such as railways and roadways, investment in tunnelling and road construction projects.

Technological advancements:
Industrial explosives manufacturers continue to adopt technological advancements to create innovative products. They are also focusing on Research & Development (R&D), value-added product launches and the discovery of new applications to sustain industry growth.

Power demand:
With rising urbanisation, the necessity to satisfy the energy needs of a growing population continue to increase. As a result, demand for industrial explosives for coal-fired power generation remains high.

Outlook

The global explosives market is expected to reach $10.9 billion by 2027 with an annual growth rate of 5.5% between 2020 and 2027. The Asia Pacific region is expected to account for a significant portion of the market share of global industrial explosives. By the end of 2024, the region is projected to capture 40% of the total market[6]. Mining and related sectors are projected to expand further due to increased infrastructure and construction spending, fuelling demand for industrial explosives.

Indian industrial explosives industry - Core Competency

Industrial explosives are mainly used for mining, quarrying and construction activities. Mining and infrastructure development in India continue to aid the expansion of the industrial explosives market. Rising construction, housing development and improvement of transportation systems also contribute towards the growth of the industry.

[6]https://www.persistencemarketresearch.com/market-research/industrial-explosives-market.asp

Growth Drivers for the Indian Explosives Industry

Mining

Mining represents a significant share of the industrial explosives market owing to its application ranging from quarrying to mining of metals and non-metals. Infrastructure development in developing countries present an immense opportunity to drive demand for industrial explosives.

India is endowed with huge resources of many metallic and non-metallic minerals being home to 1,531 operating mines and it produces 95 minerals, which includes 4 fuels, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals.[7]

The above statement is taken from Annual Report of the Ministry of Mines 2018-19 and it merely describes the variety of minerals that are mined in India. However, explosives are generally not required for mining minor minerals. and in that sense if Solar Industries does not want to talk about minor minerals, then requesting designer team to delete the brackets including the words mentioned thereof.

The Covid-19 pandemic in 2020 severely impacted the global as well as the domestic economy, affecting almost every sector, including mining. The initial impact was observed on day-to-day operations and changes in ways of working. Mines started operating with minimum staff and strictly followed social distancing protocols. Government support was also extended for continuing mining activities during the lockdown period, to ensure minimum disruption of production and distribution. Coal and mineral production, transportation, supply of explosives related to mining operations were kept outside the purview of the lockdown. However, mining operations, including coal mining, iron ore mining and llimestone mining have been impacted in FY 2021 due to the pandemic.

Coal Mining

Coal is one of India's most significant and abundant fossil fuels. It caters to roughly half of the country's power generation requirements. Coal is also used as an intermediary by many industries, including steel, sponge iron, cement, paper, and brick kilns.

India is the world's second-largest coal-producing nation after China and explosives are widely used for coal mining. As per the Economic Survey 2020-21, coal production in India declined in FY 2020-21 in comparison to the previous year, owing to the Covid-19 pandemic.

Coal production was severely affected in H1FY21 due to multiple State Governments imposing sporadic micro-restrictions in response to Covid-19, reverse migration of labour and depressed industrial production, which drastically reduced the power consumption in Q1FY21 by 15.75%. Consequently, the offtake of coal declined resulting in reduced production at both Singareni and Coal India. While coal production at Coal India was 596.08 million tonne in FY21 against 602 million tonne in FY20, production at the Singareni Collieries contracted by 21% from 64.04 million tonne in FY20 to 50.38 million tonne in FY21.Power consumption in India improved gradually during the second half of the fiscal 2020-21 due to a pick-up in economic activities.

However, with improved industrial production, coal production is expected to grow substantially in FY22. As per ICRA reports, the electricity demand in India is expected to grow between 6% and 7% in FY-22 against a decline of 2.0 – 2.5% in FY21 (Coal Insights dated January 2021). Consequently, the demand for coal is expected to increase substantially, making the industry attractive for investments.

Coal India increased its Overburden Removal by 15% in FY21 and excavated 1353.36 million CUM in FY21 against 1155 million CUM in FY20 to make exposed coal available for future production.

For FY 2022 Coal India has chosen a target of 640 million tonne coal and 1439 million CUM of OB, an increase of 7%. It has further revised the target to 670 million tonne of coal and 1538 million CUM of OB.

SCCL Overburden Removal in FY21 was 368 million CUM against 353 million CUM in the previous fiscal. The company plans to achieve 80 million tonne coal and 700 million CUM OB removal by 2023-24.

For FY 2022 SCCL has taken a target of 70.3 million tonne of coal and 496 Million CUM of OB.

The total coal production in the country was at 716 million tonne in FY21 compared to 736 million tonne in FY20. The private and captive coal mines produced 70 million tonne compared to 69.6 million tonne in FY20.

Coal India has approved 32 projects of which 24 are expansions of the existing mines and eight projects are greenfield projects costing ₹ 47,000 Crore which would add 81 million tonne per annum (Business Standard dated 9th March, 2021).

Coal India Ltd has planned to invest ₹ 2.00 Lakh Crore in the next six to seven years. While ₹ 1.26 Lakh Crore is expected to be spent by FY24, the remaining ₹ 74,000 Crore is planned for expenditure beyond 2024. The corpus is expected to be invested in mine infrastructure and project development, social infrastructure, evacuation of coal and clean coal. The Government has claimed to achieve 1 billion tonne coal production by FY24 reaching up to 2 billion tonne by 2030.

Privatisation of Coal Mines

To provide an impetus to coal and other minerals, Commercial Mining has been allowed by the Government, which is expected to increase production and grow exports. Besides providing an opportunity for private sector participation, it is expected to increase the use of sophisticated technology in mining. Consequently, the Government announced the auction of 41 coal blocks for commercial mining, a major step in the direction of creating 'Aatmanirbhar Bharat, while this

India imported 211 million tonne of coal in FY21 against 248.56 million tonne in FY20 which led to an outflow of ₹ 2.6 lakh crore in foreign exchange.

[7]Economic Times – Coal Minister state Öur import cost last year was 2,60,000 Crore despite having largest reserves

[8]PIB: https://pib.gov.in/Pressreleaseshare.aspx?PRID=1685058#:~:text=Progressing%20towards%201%20Billion%20Tonne%20Coal%20Production&text=It%20is%20projected%20that%20the,BT%20coal%20by%202023%2D24.

previous auction saw 19 coal blocks being allotted for Merchant Mining. The second tranche of auction for 67 coal blocks is due in 2021-2022.

India imported 211 million tonne of coal in FY21 against 248.56 million tonne in FY20 which led to an outflow of ₹ 2.6 lakh crore in foreign exchange. To reduce the import bill and harness the potential of India's resources, the Government aims to increase coal production through Coal India Limited by up to 1 billion tonne by FY24.[8]

The global outlook for the coal industry is Stable and recent Government reforms for commercialisation of the coal sector is anticipated to pave the way for demand recovery in FY 2022. This, in turn, is expected to bolster the mining explosives market in India.

Steel and Iron Ore

India was the second largest producer of crude steel in 2020 with total production 115.5 million tonnes (MT)[9]. Domestic availability of raw materials such as iron ore and low-cost labour have fuelled the growth of the steel industry in India. As a result, India's steel industry has been a significant contributor to the country's total manufacturing output.

During the FY2021, the steel sector was severely impacted during the pandemic. While the closure of interstate borders choked supply, demand reduced drastically due to shutdown of many downstream industries. This resulted in record low levels of production, significant industry build-ups and low prices.

However, relaxation in lockdown restrictions allowed operations to resume and helped to increase retail sales as well as export. Additionally, the industry continues to adopt digital technology after the pandemic to ensure a sustainable development of the sector. Steel production in FY2021 is 104 million tonne as compared to 115.5 million tonne in 2019-20. The industry is primarily affected due to low demand in housing, automobiles and the fabrication sector due to prolonged lockdown and reverse migration of workers during the pandemic.

The sector is poised for rapid growth in the coming years owing to Government initiatives such as Make in India, Aatmanirbhar Bharat, Bharatmala project, Sagarmala project, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and the Smart Cities Mission. The automobile and housing sectors, which consume over 66% of steel, was severely impacted by the reverse migration of labourers. With the gradual return of migrant labour, the housing sector picked up traction in the third quarter of the fiscal.

The steel industry continues to attract investments and is expected to achieve a production of 300 million tonne by 2030 as visioned under the National Steel Policy of India. Consequently, 444 million tonne of iron is estimated to be required which is double the present production, in addition to the 180 million tonne of limestone and other minerals. This is expected to drive steel demand in India in the medium to long term.

Cement and Limestone

India is the world's second largest cement producer, accounting for over 7% of the global installed capacity[10]. The industry plays a significant role in the infrastructural and socio economic development of the nation. Growing construction activity is driving the growth of the cement industry, bolstering limestone mining in India. The industry plays a pivotal role for all infrastructural projects ranging from roads, bridges and housing to sanitation and water conservation.

The real-estate and construction sectors also depend heavily on cement. But, the sudden outbreak of the Corona virus pandemic in FY 2020-21 impacted cement and limestone production. The nationwide lockdown imposed by the Government disrupted construction activity and impacted the demand for cement. The sector was also troubled by low real estate demand.

Cement production in FY21 was 292.2 million tonne compared to 334 million tonne in FY20. According to the Cement Manufacturer's Association in India (CMA), 67% cement is consumed by housing projects, which are the largest employers of migrant workers in India. The reverse migration, which began at the onset of the lockdown, impacted the housing construction and infrastructure development activity drastically. However, their return did not coincide with the gradual opening up of the economy. The slow pace of return of the labourers pushed the housing and infrastructure Housing and Infrastructure sectors to gain traction in the third quarter and the sector is expected to accelerate in FY22.

The sector is expected to attract significant demand from the affordable housing market and projects in rural infrastructure development. The cement industry is projected to reach 550-600 million tonne per annum (MTPA) of production by 2025, driven by sustained demand from commercial and industrial construction. Furthermore, this growth will in turn create opportunities for growth in limestone mining in India.

The cement industry is projected to reach 550-600 million tonne per annum (MTPA) of production by 2025

[9]https://steel.gov.in/make-india

[10]https://www.ibef.org/industry/cement-india.aspx

Construction

The construction industry in India is thriving due to rapid urbanisation, upcoming infrastructural development schemes, and a growing population. The industry plays a pivotal role in the growth of the national economy and provides employment to a sizeable portion of the population. It is also crucial for the development of bridges, highways, power and other infrastructure projects. Construction of residential and commercial buildings also continue to leverage growth in this sector.

The Covid-19 pandemic in FY 2020-21 wreaked havoc on India's construction industry in a number of ways, affecting material supply and pricing as well as project completion deadlines. The shortage of labour further added to the problems. The nationwide lockdown imposed towards the beginning of FY 2021 completely disrupted construction activities, for almost two months. Even after the resumption of economic activity towards the end of the last fiscal, the industry faced challenges of reverse migration of labour and supply chain disruptions.

In FY 2022, the industry is expected to recover sharply due to a lower base and pent-up demand. Various Government schemes such as the National Infrastructure Pipeline (NIP) and the newly announced Affordable Rental Housing Complex (ARHC) scheme is likely to bolster the industry. The Government's move towards 'Aatmanirbhar Bharat' is also anticipated to augur well for the industry. Moreover, countries around the world continue to reduce their dependence on China to sustain supply chains. India, as a result, appears to be a lucrative destination to fulfil the demands for industrial construction with a huge captive market and easy availability of low-cost labour.

The Finance Ministry's Budget for FY22 provided for a significant increase in capital expenditure, by 34.5% YoY, to ₹ 5,54,000 crore. Coupled with an additional 2 lakh crore to be provided to the states, the Budget lays great emphasis on infrastructure development & the construction industry.

Further, the budget allocated ₹ 20,000 crore for Development Financial Institutions, to improve infrastructure spending, by having a portfolio of ₹ 5 lakh crore in three years. This will be a major catalyst for long-term infrastructure financing [14].

Road and Infrastructure

The Indian economy relies heavily on its infrastructure industry. The sector is critical to India's overall growth, and the Government has placed a high priority on enacting policies that will ensure the development of world-class infrastructure in a timely manner. The sector comprises the power sector and infrastructure development projects for construction of bridges, dams, roads and urban infrastructure.

While FY 2020-21 saw plenty of challenges due to halting of construction activity, reverse migration of labour and diverted focus of the investor community, the infrastructure sector performed well in terms of total demand. Moreover, the infrastructure market offers a tremendous opportunity for foreign investors, with demand expected to reach over ₹ 50 trillion by 2022[11].

The Indian road network is the second largest in the world, with a total length of 5.89 million kilometres[12]. The road network in India has gradually expanded and has ensured better connectivity between cities, towns and villages in the country. The Indian road network consists of national and state highways and urban and rural roads. The National Highways make up 2% of the overall road network and also carry a significant proportion of the road traffic[13].

India's highways sector has long been a leader in terms of performance and innovation. Centred on the Hybrid Annuity Model (HAM), the Government has successfully initiated over 60 projects worth over $10 billion[12]. The HAM has effectively managed risk among private and public partners and increased public private partnership (PPP) in the sector. Moreover, the National Highways Authority of India (NHAI) has gone 'Fully Digital' with the introduction of Data Lake and Project Management Software, a cloud-based, Artificial Intelligence-powered Big Data Analytics platform.

The Budget announced by the Government for the year 2021-22 is expected to be a game changer for the industry and its focus on infrastructure development and production can be gauged by its planned capital expenditure. The Roads & Highways sector has been allotted ₹ 1.18 lakh crore besides allowing the NHAI to raise ₹ 65,000 Crore from the market, taking the total to ₹1.83 Lakh crore. The increase in railway infrastructure to ₹ 3.6 lakh crore including budgetary

[11]https://www.ibef.org/industry/infrastructure-sector-india.aspx

[12]https://www.ibef.org/industry/roads-india.aspx

[13]https://www.investindia.gov.in/sector/roads-highways

[14]https://pib.gov.in/PressReleseDetailm.aspx?PRID=1693892

allocation of ₹ 1.1 lakh crore and ₹ 2.5 lakh crore through internal borrowing, further amplifies the demand potential of the industry.

To improve the highway network, the Government launched the Bharatmala Pariyojana, which aims to construct 66,100 km of highways, border and coastal routes and expressways. The Government is putting in a lot of effort to draw significant investment interest through a variety of initiatives. Total NH completed up to March 2021 is 1,37,625 km and it is estimated that 200,000 km of National Highways will be completed in five years.

Roads and National Highways achieved a remarkable milestone in FY21 by completing 13,394 km against a target of 11,000 km besides completing 10,237 km in FY20. The effort deserves appreciation considering the resource and time crunch due to two months of lockdown along with reverse migration, impeding the work. The industry built 37 km of roads and highways per day despite a stringent lockdown in Q1FY21.[10] Emboldened by the feat, the Ministry of Roads and Highways has set a tall target of 14600 km of Highway construction for FY22.

Hybrid Annuity Schemes, reduction in security deposit and settlement of claim by arbitration have eased the liquidity of the contractors and concessioners. The resolution of 99% of the ₹ 3.85 trillion worth 403 projects by Government through negotiation while terminating 40 projects, provided a fillip to the construction industry.[15]

The total contracts awarded in FY21 amounted to 10965 kms against 8948 kms during the same period in FY20. Under the PMGSY, the total Gram Sadak completed amounted to 162381 km.

NHAI's Progress in Seven Years

Year	Total length of roads constructed (in Km.)	Average length per day (in Km./day)
FY-15	4410	12.08
FY-16	6061	16.55
FY-17	8231	22.55
FY-18	9829	26.93
FY-19	10855	29.74
FY-20	10237	27.43
FY-21	13394	37.00

Source: NHAI

Real Estate

The real estate sector is a major contributor towards the Gross Domestic Product (GDP) in India and provides employment to millions of people. The sector consists of four segments-, housing, retail, hospitality and commercial. Housing holds a substantial share of the real estate industry in India. The expansion of this industry is aided by the increased demand for office spaces as well as urban and semi-urban accommodations.

The real estate segment in India endured severe hardships due to the lockdown imposed by the Government on account of Covid-19. The lockdown halted almost all major construction activities. Since the labour market was severely affected, developers faced extreme liquidity restrictions, and homebuyers lost the appetite for new investments and purchase of property. As the world fought the pandemic, house sales and new property releases suffered tremendously.

However, shortly after the lockdown was lifted, the sector started to show signs of growth. The key to the industry's early turnaround was its quick transition to technologically-empowered solutions that enabled it to attract new buyers. Furthermore, the work-from-home culture increased the demand for residential housing in India, which has helped improve demand after the second quarter. The recovery of India's real estate industry is being driven by a surge in demand for luxury housing, especially from non-resident Indians.

Housing

Housing construction sector is the major consumer of cement, steel and stone aggregate. The demand for input materials results in increased demand for iron ore, limestone and stone quarries and consequently explosives.

India's housing market is one of the fastest growing in the world. This sector is growing due to a huge population base, increasing income levels, and rapid urbanisation. The Indian Government is also emphasising on the need for affordable housing for the economically weaker sections of the population. The Pradhan Mantri Awas Yojana (Urban) is a flagship scheme by the Central Government which aims to provide housing in all urban areas by 2022. On the other hand, the Pradhan Mantri Gramin Awaas Yojana intends to provide affordable housing for the rural poor in India.

The Affordable Rental Housing Complex (ARHC) scheme, launched under the Pradhan Mantri Awas Yojana, aims to provide migrant workers and the urban poor with affordable rental accommodation and enhance their standard of living. The scheme is an important step towards realising the vision of 'Aatmanirbhar Bharat' as it serves to advance the greater objective of attaining 'Home for All'. While 80.2 lakh houses have been grounded by the end of FY21, 48 lakh houses have been constructed against 112.95 lakh sanctioned houses in PMAY- Urban[21]. In PMAY- Gramin, 136 lakh houses have been completed by the end of fiscal FY21[22]. To boost the demand for housing, the tax concessions provided in FY21 are set to continue in FY22 i.e., increase in set limit of ₹ 45 lakh (for affordable housing) additional tax exemption of ₹ 1.5 lakh on interest over and above ₹ 2 lakh.

Outlook

Rapid urbanisation is pushing the need for infrastructure development in India. Mining and exploration companies are trying to capitalise on mineral resources available in underground mines and are stepping up efforts to improve mining significantly.

Indian Defence Industry

The Defence manufacturing industry in India contributes significantly to the Indian economy. With growing national security issues, the sector is likely to grow even faster. The escalating border disputes with our adversaries and the resulting security imperatives have raised the demand for Defence equipment in India.

[15]Business Standard 03-04-2021

[16]Interview - Minister: Road transport and Highway: 7th April 2021 (Business Standard)

India expects to spend $130 billion on military modernisation over the next five years, with the goal of achieving self-reliance in Defence production[17]. To boost domestic production, the Government has opened up the Defence industry to private sector investment. The liberalisation of the market is also helping foreign original equipment manufacturers to form strategic alliances with Indian companies. The Covid-19 pandemic almost paralysed economies around the world. To tide through this crisis, the Government aims to rely on the Aatmanirbhar Bharat Abhiyaan to make India self-reliant and completely capable of handling difficult situations.

The Government has been aggressively pushing for domestic manufacturing of Defence ammunition and focusing on the export markets. The Ministry of Defence has pegged a production target of $26 billion, including $5 billion for exports, in the next five years, which is a significant increase from ₹ 90000 crore in FY21[18].This would catapult India to be among the top Defence manufacturers in the world. According to Stockholm International Peace Research, India is among the top 25 exporters of Defence items.

The Government has put 101 items on the Negative List which is expected to lead to an embargo on their imports. It is estimated that more items will make it to the list in the coming years.

The Budget allocation under Defence capex which relates to modernisation and infrastructure development of armed forces, in FY22 has increased by 18.5% over the previous year to ₹ 1,35,060.72 crore[19]. The budget provides for 53% of outlay towards domestic procurement amounting to ₹ 70211 crore, which is expected to create opportunities for domestic manufacturers.[20] The cumulative effect of Government spending and trade measures provides a long-term visibility in Defence procurement plans.

Outlook

The Indian Defence market is at the cusp of a revolution, with the introduction of policy changes that promise to reduce programme delays and speed up acquisition. Provisions such as allowing leasing of equipment and waiver of offset requirements in government-to-government deals also hold promise in the upcoming decade. The Ministry of Defence (MoD) has also set a target of doubling Defence production and increasing Defence exports nearly five times by 2025. To ensure that these goals are achieved, the MoD is pushing for enhancing private-sector participation to create a level-playing field and is also taking other steps such as corporatisation of the Ordnance Factory Board. Successful implementation of the envisaged measures will have a long-lasting effect on the Defence industry and the competitive landscape. The Defence Acquisition Procedure 2020, along with Aatmanirbhar reforms, aims to increase private sector participation with a view to hold DPSUs to greater accountability. The incentives extended for domestic manufacturing of Defence equipment further lends impetus to opportunities for investment in the entire value chain.

India expects to spend $130 billion on military modernisation over the next five years, with the goal of achieving self-reliance in Defence production

[17] B https://www.investindia.gov.in/sector/defence-manufacturing
[18]Analysis of Draft Defence Procurement Policy 2020.
[19]PIB : https://pib.gov.in/PressReleasePage.aspx?PRID=1693987
[20]https://pib.gov.in/PressReleseDetailm.aspx?PRID=1699992
[21]https://www.careratings.com/uploads/newsfiles/13042021062349_Update_on_Real_Estate_-_April_2021.pdf
[22]https://rural.nic.in/press-release/92-target-achieved-1st-phase-pradhan-mantri-awaas-yojana-%E2%80%93-gramin

FY 2020-21 - The Road Ahead

- In line with the vision of Aatmanirbhar Bharat, the Defence Acquisition Procedure 2020 has been unveiled. It aims to boost the domestic Defence industry and achieve self-reliance in domestic manufacturing.
- The Government has implemented major changes to encourage Foreign Direct Investment (FDI) in the Defence industry, to complement domestic investment. As part of the reforms in the Defence sector to promote self-reliance, the FDI limit for Defence production has been increased from 49% to 74% under the Automatic Route[23].
- A revised edition of the Defence Research and Development Organisation (DRDO) Procurement Manual 2020 has been released to promote further involvement of the Indian industry, including start-ups and Micro, Small and Medium Enterprises (MSMEs), in Defence research and development (R&D) to achieve the vision of 'Aatmanirbhar Bharat.'
- The Ministry of Defence released the draft Defence Production and Export Promotion Policy 2020 to give the country's Defence development capabilities a concentrated, structured, and significant boost for self-reliance and exports.
- The 'Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA)' was signed by India and the United States to reinforce Defence relations between the two countries.
- The Union Budget 2021-22 has granted a historic boost to Defence modernisation by increasing capital outlay by 18.75 per cent. Defence allocation in the budget has been raised to ₹4,78,195.62 crore for the FY 2021-22.
- The Indian Government is focusing on creative solutions to empower the country's Defence and security through a programme called Innovations for Defence Excellence (iDEX), which provides a forum for start-ups to communicate with Defence institutions and create new technologies/products over the next five years (2021-26). Moreover, the Defence Ministry has set the goal of attaining 70 per cent self-reliance in weaponry by 2027, opening up huge opportunities for industry players[24].

Opportunities and Threats

Opportunities

With the announcement of the National Mineral Policy in 2019, India has uncovered a huge mining potential, creating demand for industrial explosives.

The implementation of Government schemes such as Make in India and Aatmanirbhar Bharat Abhiyan aimed to curb imports will result in increased domestic demand for Defence manufacturing in India.

India's space sector can be further explored owing to the Government's plans to open for private participation.

Threats

Global recession has significantly impacted the health of the domestic economy, after the Covid-19 outbreak.

Climate change and other environmental factors may result in a shift from coal-based thermal energy to renewable sources of power. This might affect mining activity, which is a core demand driver for industrial explosives.

Uncertainties and delays involved in qualification and conversion of order into cash in Defence Sector.

Product wise performance

Industrial Explosives:

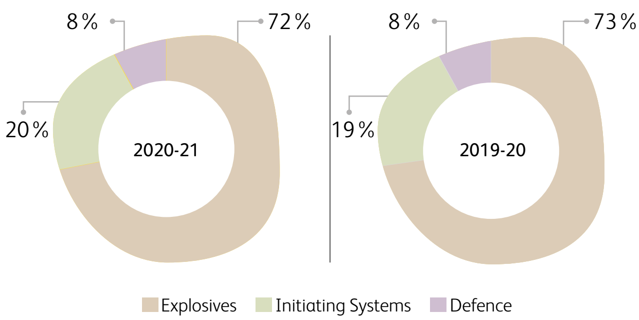
Industrial explosives comprise:

- Bulk Explosives
- Packaged Explosives
- Initiating Systems

Defence Products:

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

Product-wise revenue mix



[23]https://pib.gov.in/PressReleasePage.aspx?PRID=1654091#:~:text=The%20Government%20of%20India%20in,sector%20to%20boost%20self%2Dreliance.

[24]https://www.ibef.org/industry/defence-manufacturing.aspx#:~:text=India's%20defence%20manufacturing%20sector%20has,the%20total%20value%20in%202019.

Risk Management

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

A detailed risk management process and plan is explained on page 32 of the report.

Financial Overview

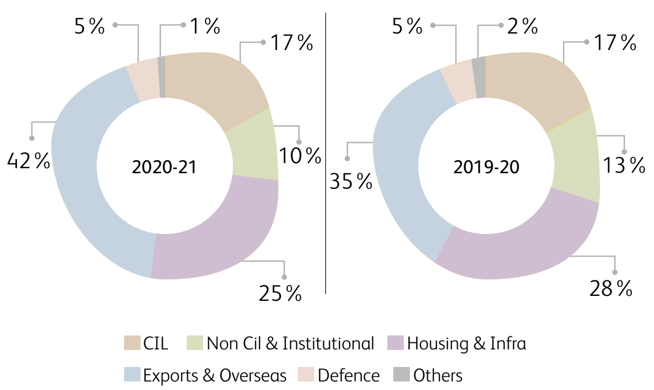
A detailed financial overview of the Company for the FY 2020-21 is available in the financial capital section on page 14 and Board`s Report on page 59 forming part of this Annual Report.

Details of Key Financial Ratios (Consolidated)

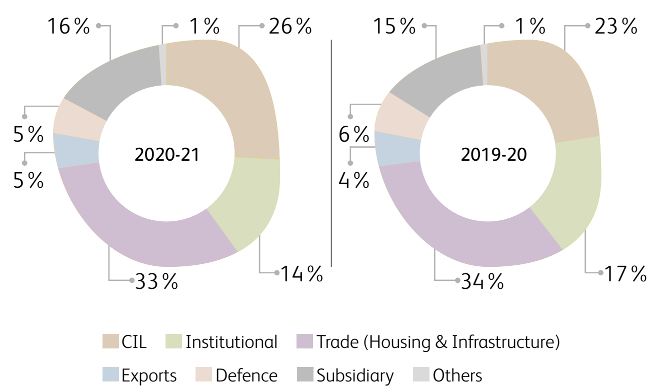
S.No.	Key Financial Ratios	2020-21	2019-20
1.	Debtor's Turnover	6.09	5.82
2.	Inventory Turnover	4.10	4.69
3.	Interest Coverage Ratio	9.75	7.10
4.	Current Ratio	1.50	1.34
5.	Net Debt Equity Ratio	0.39	0.45
6.	Adjusted Operating Profit Margin	18%	17%
7.	Adjusted Net Profit Margin	11%	12%
8.	Return on Net Worth	17.50%	19.38%

1. Interest coverage ratio increased in FY 2020-21 due to lower finance cost.
2. As compared to FY 2019-20, Return on Net Worth for FY 2020-21 is lower by 1.88% mainly due to higher retained earnings.
3. There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the other key financial ratios.

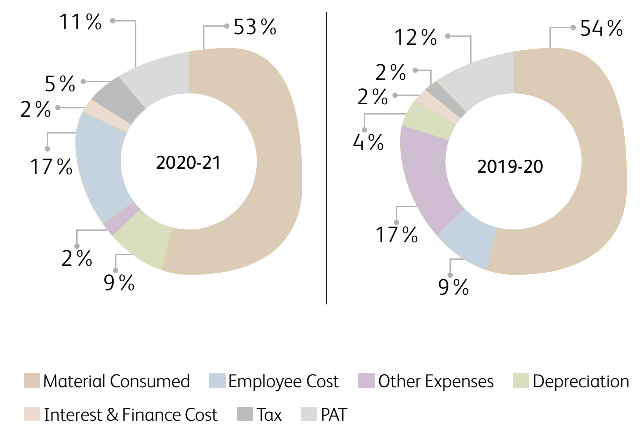
Customer-wise revenue mix (in %) Consolidated



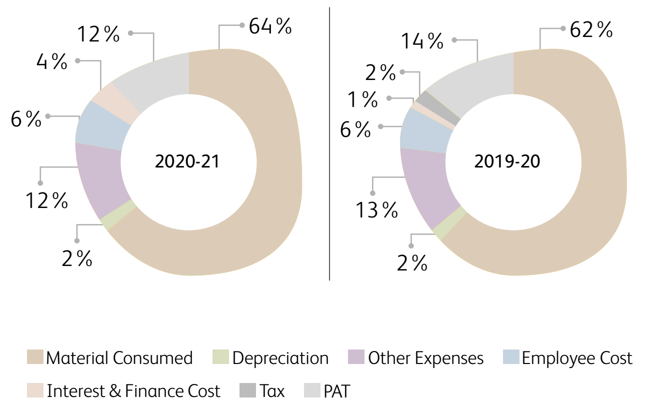
Customer-wise revenue mix (in %) Standalone



Annual Expenses Break-up (in %) Consolidated



Annual Expenses Break-up (in %) Standalone



Human Resources

To know more about our employee well-being, safety, diversity and engagement programs, please read page **22** of this Annual Report

Internal Control Systems and their Adequacy

The Solar Group has optimal internal control systems and procedures in place to handle all its business processes. The Solar Group has clearly defined roles and responsibilities for all managerial positions. Its financial parameters are monitored and controlled effectively through its SAP ERP software system.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System and it has continued its efforts to align all its processes and controls with the best practices. The Audit Committee also meets 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.

The Company has appointed an Independent firm of chartered accountants to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee.

The Company has identified inherent reporting risks for each major element in the financial statements and put in place controls to mitigate the same. These risks and the mitigation controls are revisited periodically in the light of changes in business, IT systems, regulations and internal policies.

Based on its evaluation (as defined in Section 177 of Companies Act 2013 and Regulation 18 of SEBI Regulations, 2015), the Audit Committee has concluded that, as of March 31, 2021, internal financial controls were adequate and operating effectively.

Outlook

The Company delivered a strong performance during the year FY 2020-21, across verticals, despite the global headwinds and slowing down of the Indian economy. Effective policy measures taken by the Government of India and the Reserve Bank of India helped the Indian economy recover from recessionary trends witnessed during the first half of the year. The roll-out of the vaccination drive across the major economies, including India, helped renew optimism around sustainable economic recovery across the globe. With convergence of various policies targeting human capital development, social and economic infrastructure, public health, digital economy, the Indian economy is expected to scale new heights in the near term and the Company is well positioned to capitalise on growing opportunities in India and the world.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Solar Industries India Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of Solar Industries India Limited's Annual Report, for FY 2020-21.

Board's Report

Dear Members,

The Board of Directors are pleased to present the Board`s report together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2021.

1. Financial Highlights

The Company's Financial Performance (Standalone & Consolidated) for the Financial Year ended March 31, 2021 is summarised below.

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Net Revenue from operations				
(Including Other Income)	1610.04	1546.89	2537.05	2278.35
Less: Expenditure	1312.32	1248.32	2001.03	1802.98
Operating profit (PBIDT)	**297.72**	**298.57**	**536.02**	**475.37**
Interest	6.52	12.17	45.39	55.04
Profit before Depreciation & Tax (PBT)	**291.20**	**286.40**	**490.63**	**420.33**
Less: Depreciation	37.98	33.96	93.53	84.53
Profit before Tax & Exceptional item	**253.22**	**252.44**	**397.10**	**335.80**
Less: Exceptional item	-	-	-	-
Profit before Tax	**253.22**	**252.44**	**397.10**	**335.80**
Less: Provision for Taxation	64.15	39.04	109.03	57.13
Profit after Tax	**189.07**	**213.40**	**288.07**	**278.67**
Other Comprehensive Income	0.65	(0.65)	(12.51)	(63.38)
Share of profit transfer to minority	-	-	11.18	(3.56)
Net Profit (after minority interest)	189.72	212.75	264.38	218.85
Balance brought forward	423.68	362.14	684.23	573.99
Balance available for appropriation	613.40	574.89	948.61	792.84
Appropriation:				
Interim Dividend	54.29	63.34	54.29	63.34
Tax on Dividend	-	13.02	-	13.02
Other Adjustment/ Other Comprehensive Income/(loss)	(0.39)	(0.15)	1.03	0.81
General Reserve	75.00	75.00	75.00	80.15
Balance Profit Carried To Balance Sheet	483.72	423.68	820.35	684.23
Earning Per Share (EPS)	**20.89**	**23.58**	**30.54**	**29.55**

Results of Operation

Standalone Reaching

- During the financial year ended on March 31, 2021 the Company achieved turnover of ₹ 1584.40 Crores as against turnover of ₹ 1511.54 Crores achieved during the previous year, which is a increase in turnover by 4.82 %.
- The Profit Before Depreciation & Tax (PBT) for the financial year 2020-21 is ₹ 291.20 Crores against 286.40 Crores in the year 2019-20.
- Earnings Per Share as on March 31, 2021 is ₹ 20.89 vis a vis ₹ 23.58 as on March 31, 2020.
- The net worth of the Company stands at ₹ 1156.81 Crores as at the end of financial year 2021, as compared to ₹ 1021.38 Crores at the end of financial year 2020.

Consolidated reaching

- During the financial year ended on March 31, 2021 the Company achieved turnover of ₹ 2515.63 Crores as against turnover of ₹ 2237.30 Crores achieved during the previous year, which is a increase in turnover by 12.44 %.
- The Profit Before Depreciation & Tax (PBT) for the financial year 2020-21 is ₹ 490.63 Crores against ₹ 420.33 Crores in the year 2019-20.
- Earnings Per Share as on March 31, 2021 is ₹ 30.54 vis a vis ₹ 29.55 as on March 31, 2021.
- The net worth of the Company stands at ₹ 1579.41 Crores as at the end of financial year 2021, as compared to ₹ 1380.09 Crores at the end of financial year 2020.

2. TRANSFER TO RESERVES

The Company has transferred ₹ 75.00 Crores to the general reserve out of the amount available for appropriations and an amount of ₹ 820.35 Crores is proposed to be retained in the statement of profit and loss.

3. DIVIDEND

The Board of Directors at their meeting held on May 27, 2021, has recommended payment of ₹ 6/- (Rupees Six Only)) (300%) per equity share of face value of ₹ 2/- (Rupees Two Only) each as a final dividend for the FY ended March 31, 2021. The payment of dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend on equity shares including dividend tax for the financial year 2020-21 would aggregate to ₹ 54.29 Crores.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. April 1, 2021 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

The Dividend Distribution Policy, containing the requirements prescribed in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 can be accessed on the Company's website at the web-link - **https://reports.solargroup.com/DDP.pdf**

4. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

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

5. DEPOSITS

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

6. CREDIT RATINGS

Solar's financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies. The table below depicts the credit rating profile:

Sr. No.	Particulars	Rating
1	Long Term Borrowings	CRISIL AA+/Stable (Reaffirmed)
2	Short Term Borrowings	CRISIL A1+ (Reaffirmed)
3	Commercial Paper	CRISIL A1+ (Reaffirmed) [ICRA]A1+

7. 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 forming a part of this Annual Report.

8. 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.

Information on newly incorporated Subsidiaries till the date of this report:

a. During the year under review:
   1. Solar Avionics Limited, wholly owned subsidiary of the Company was incorporated on November 16, 2020

b. Keeping pace with the strategy of expanding globally the Company has set up the following step down subsidiaries:
   i) In Burkina Faso (through Solar Industries Africa Limited) named Solar Mining Services Burkina Faso SARL which was incorporated on April 6, 2021.
   ii) In Albania (through Solar Overseas Singapore Pte Limited) named Solar Mining Services Albania which was incorporated on April 22, 2021.

9. AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDAIRES

The Board of Directors of your Company at its meeting held on May 27, 2021 approved the Audited Consolidated Financial Statements for the FY 2020-21 which includes financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the FY 2020-21, have been prepared in compliance with applicable Indian Accounting Standards (Ind-AS) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requirement.

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.

10. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2021 was ₹18.10 Crores. There was no change in the Share Capital during the year under review. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

11. CORPORATE GOVERNANCE

In terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate section on corporate governance along with a certificate from the Statutory Auditors confirming compliance is annexed and forms part of the Annual Report.

12. RISK MANAGEMENT

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

It takes into consideration the nature, scale and complexity of the business. A detailed note on the risks is included in the Management Discussion and Analysis forming part of the Annual Report and the details of Risk Management Committee and its frequency of meetings are included in the Corporate Governance Report.

13. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124 and Section 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting , Audit, transfer and Refund) Rules, 2016 ('the Rule'), all the unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of Seven Years. Further according to the Rules, the shares on which dividend has not been paid or claimed by the Shareholder for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividends of ₹ 58,272.00 relating to financial year 2012-2013 (final) and ₹ 44,775.00 relating to financial year 2013-2014 (interim) the details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

14. 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. There has been no change in the policy since last financial year.

15. 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.

16. BOARD MEETINGS

During the year four Board Meetings were convened and held on July 31, 2020, September 14, 2020, November 11, 2020 and January 29, 2021. The details of which are given in the Corporate Governance Report.

17. BOARD COMMITTEES & ITS MEETINGS

The Board of the Company has total six Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Executive Committee. The details of composition and committee meetings during the year are given in the Corporate Governance Report which is a part of this report.

18. INTERNAL FINANCIAL CONTROL AND ITS ADEQUECY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

Your Company has an adequate internal controls system, commensurate with the size and nature of its business.

19. REPORTING OF FRAUDS

During the year under review , neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of the fraud committed by the Company, its officers and employees, the details of which would need to be mentioned in the Board Report.

20. SECRETARIAL STANDARDS

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

21. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and the Company's operation in future.

22. VIGIL MECHANISM

The Vigil Mechanism of the Company includes a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

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

The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the link **https://reports.solargroup.com/WBP.pdf**

23. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act – 2013 and the rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under the said policy. During the financial year under review, the Company has not received complaints of sexual harassment from any of the women employee of the Company.

The Company has complied with the provisions relating to the constitution of Internal Committee (IC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Director Retiring by Rotation

In accordance with provisions of the act and in terms of Articles of Association of the Company, Shri Manish Nuwal, Managing Director and CEO of the Company, retire by rotation and being eligible offers himself for reappointment.

The Boards of Directors recommends his re-appointment at Item No. 3 of the Notice Calling 26th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Manish Nuwal 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 26thAnnual General Meeting.

b. Director's Appointment & Cessation

Appointment

In accordance with Sections 149,150,152, 161 and any other applicable provisions of the Companies Act, 2013 and in accordance with Articles of Association of the Company, Smt. Sujitha Karnad was appointed as an Additional Non-Executive Independent Director of the Company, w.e.f. December 15, 2020 and she shall hold the office upto the date of ensuing Annual General Meeting. The Board recommends appointment of Smt. Sujitha Karnad as a Non-Executive Independent Director of the Company for a period of 2 (Two) years for approval of the members at the ensuing Annual General Meeting.

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

Re-appointment

1. The Board recommends the re-appointment of Shri Satyanarayan Nuwal as Chairman and Whole-time Director (designated as Executive Director) for a period of One (1) year and revision in terms of his remuneration, pursuant to Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 for approval of the members at the ensuing Annual General Meeting.

2. The Board recommends re-appointment of Shri Manish Nuwal as Managing Director for a period of One (1) year and revision in terms of his remuneration, pursuant to Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 for approval of the members at the ensuing Annual General Meeting.

3. The Board recommends re-appointment of Shri Anil Kumar Jain as an Executive Director of the Company for a period of 1 (One) year and revision in terms of his remuneration , pursuant to Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013

for approval of the members at the ensuing Annual General Meeting.

Cessation

Smt. Madhu Vij ceased to be the Non-Executive Independent Director (Women Director) of the Company w.e.f September 16, 2020. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their Meeting dated September 16, 2020.

Vacation

Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

c. Key Managerial Personnel

The Key Managerial Personnel of the Company as on March 31, 2021 are:

- Shri Satyanarayan Nuwal – Chairman and Executive Director,
- Shri Manish Nuwal – Managing Director and Chief Executive Officer,
- Shri Anil Kumar Jain – Executive Director,
- Shri Suresh Menon – Executive Director,
- Mrs. Khushboo Pasari – Company Secretary & Compliance Officer.

Shri Nilesh Panpaliya has resigned from the position of Chief Financial officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021. Further Shri Moneesh Agrawal and Mrs. Shalinee Mandhana were appointed as Joint Chief Financial Officers (CFO) and Key Managerial Personnel (KMP) of the Company on May 27, 2021.

25. 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, individual directors Chief Financial Officer, Company Secretary as well as the evaluation of the working of its Board Committees. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

26. NOMINATION & 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 Nomination & Remuneration Policy is stated in the Corporate Governance Report.

Policy on appointment of Directors and Senior Management, Policy on Remuneration of Directors and Policy on Remuneration of Key Managerial Personnel and Employees are available at the link **https://reports.solargroup.com/NARP.pdf**

27. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return in form MGT-9 for financial year 2020-21 is available on the website of the Company at **www.solargroup.com**

28. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under:

a. The Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2020-21, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2020-21 is as follows:

Executive Directors	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2020-21
Shri Satyanarayan Nuwal	Chairman and Executive Director	126.45	Refer Note : 2
Shri Manish Nuwal	Managing Director & CEO	126.45	
Shri Anil Kumar Jain	Executive Director	23.89	
Shri Suresh Menon	Executive Director	22.48	
Shri Nilesh Panpaliya	Chief Financial Officer	-	
Smt. Khushboo Pasari	Company Secretary and Compliance Officer	-	

Note:

1. The Non-Executive Directors of the Company are entitled to sitting fee as per the statutory provisions and within the limits approved by the Members. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
2. There was no increase in remuneration of director and KMP in the financial year 2020-21.
3. Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. He was paid remuneration of ₹ 0.68 Crore till June 2020.

b. **The percentage increase in the median remuneration of employees in the financial year:** (17.73%)

c. **The number of permanent employees on the rolls of Company:** 1629

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

In view of COVID-19 pandemic their has been no change in the remuneration paid to the employees and Key Managerial Personnel during the year 2020-21 in comparison with the financial year 2019-20.

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

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

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

29. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2020-21 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 yearly 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 at https://solargroup.com/wp-content/uploads/2019/04/policy-on-related-party-2.pdf. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

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

30. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the building, competence, and commitment towards its employees in all areas of the business. We have taken efforts for building Human Resource capabilities in different ways. The Leadership Competency Behavioral framework is being institutionalised. Proper management development tools are being practiced for competency building amongst all the levels and focused succession and talent pool building is in process. Coaching and Mentoring is being executed at critical roles and positions. For new talent, structured on-boarding and induction process is being initialised as to assure adhering safety and quality from day one in the organisation. Management development programs are continuously conducted to upgrade skill & knowledge of employees. Company is Maintaining smooth Industrial relation and statutory compliance at all plants and offices.

31. MATERIAL SUBSIDIARY

Economic Explosives Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at https://reports.solargroup.com/PFDMS-1.pdf

32. AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s S R B C & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) jointly with M/s Akshay Rathi & Associates, Chartered Accountants (Firm Registration No. 139703W) were appointed as Statutory Auditor of the Company in the 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company.

M/s S R B C & Co. LLP Chartered Accountants (Firm Registration No. 324982E) and M/s Akshay Rathi & Associates, Chartered Accountants (Firm Registration No. 139703W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Auditors' Report

The Auditor's Report for the year ended March 31, 2021 on the financial statements of the Company is a part of this Annual Report. The notes on Financial Statements referred in the Annual Report are self explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

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 2020-21 was undertaken by Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Nagpur the Cost Auditor of the Company.

The Board of Directors of the Company has appointed Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates to conduct the Cost Audit as per Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 for the financial year 2021-22.

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 D L & Associates the Internal Auditors of the Company.

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

The Board of Directors of the Company has appointed M/s Ekbote Deshmukh & Co. Chartered Accountants and M/s D L & Associates Chartered Accountants, to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2021-22.

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 2020-21 was undertaken by Shri Anant B. Khamankar, Practicing Company Secretary the a 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 and its material subsidiary i.e Economic Explosives Limited is annexed herewith as “Annexure B1 and B2”.

SEBI vide its notification no. SEBI/LAD-NRO/GN/2021/22 dated May 5, 2021 directed listed entities to annex a Secretarial Compliance report given by a Company Secretary in practice, in such form as specified with the annual report of the Company. The Secretarial Compliance report is annexed herewith as “Annexure B3”

The Board of Directors of the Company appointed Shri Anant B. Khamankar, Practicing 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 2021-22.

The Company has engaged the services of Shri Anant Khamankar (CP No. 1860), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

The Secretarial Audit Report and/or Secretarial Compliance Report do not contain any qualification, reservation or adverse remark.

33. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in “Annexure C” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on https://reports.solargroup.com/PCSR.pdf.

A detailed CSR policy was amended by the Company with approvals of the CSR Committee and Board on May 27, 2021 in pursuance of the requirements of Section 135 and Schedule VII of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

34. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

35. 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 27, 2021 has approved the Audited Consolidated Financial Statements for the financial year 2020-21 and its subsidiaries in accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Indian Accounting Standards (Ind AS) and other Accounting Standards issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements of your Company for the financial year 2020-21, 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.

36. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

37. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report ("BRR") of the Company for the year 2020-21 forms part of this Annual Report as required under Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

38. DIRECTOR'S RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts of the Company for the year ended March 31, 2021, the applicable Accounting Standards had been followed and there are no departures;

ii. Accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2021 and of the profit of the Company for that year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and detecting fraud and other irregularities;

iv. Annual accounts for the year ended March 31, 2021 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.

39. 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.

40. APPRECIATION & ACKNOWLEDGEMENT

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks,government and regulatory authorities, stock exchanges, customers, vendors, members during the year under review.

For and on behalf of the Board

Place : Nagpur
Date : May 27, 2021

(Satyanarayan Nuwal)
Chairman

Annexure 'A'

Form No. AOC-2

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

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

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

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

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

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

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

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

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

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

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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

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

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

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

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

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

f. Amount paid as advances, if any: Not Applicable

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

For and on behalf of the Board

Place : Nagpur
Date : May 27, 2021

(Satyanarayan Nuwal)
Chairman

Annexure 'B1'

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31St March, 2021.

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

To,
The Members,
Solar Industries India Limited
"Solar" House,
14 Kachimet, Amravati Road
Nagpur - 440023

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2014;

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

Other Applicable Laws:

i. The Indian Boilers Act, 1923

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

iii. The Explosives Act, 1884

iv. The Environment (Protection) Act, 1986

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

vi. The Legal Metrology Act, 1999

vii. The Public Liability Insurance Act, 1991

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

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

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

We further report that:

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

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

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

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

We further report that during the audit period:

1. The Board of Directors of the Company with a view to facilitate further investments/ loans, to provide security and guarantee to the Company's subsidiaries, fellow subsidiaries and associate Companies, has increased the existing limit of providing loan, guarantee or security specified under Section 186 of the Companies Act, 2013, from ₹ 300 Crores to ₹ 750 Crores in its meeting held on 31st July, 2020.

2. The Board of Directors of the Company had approved the merger of Emul Tek Private Limited and Blastec India Private Limited (Wholly Owned Subsidiaries of the Company) into M/s. Economic Explosives Limited (Wholly Owned Subsidiary of the Company) in its meeting held on 11th February, 2020. However, considering the changed business scenario and considering the current business requirements of the group, the management of the Company proposed to merge Blastec India Private Limited (Wholly Owned Subsidiary of the Company) into Emul Tek Private Limited (Wholly Owned Subsidiary of the Company).

   Accordingly, the Board of Directors of the Company at its meeting held on 11th November, 2020 have withdrawn the merger of Emul Tek Private Limited and Blastec India Private Limited into M/s. Economic Explosives Limited and approved the Scheme of Merger of Blastec India Private Limited into Emul Tek Private Limited.

3. Erstwhile director, Mr. Kailash Chandra Nuwal and his son, Mr. Rahul Nuwal and wife, Mrs. Indira Kailashchandra Nuwal ("Petitioners") had instituted proceedings by way of a Company Petition CA 1054/MB/2020 in CP 1069/MB/2020 I Kailash Chandra Nuwal & Ors. Vs. Solar Industries India Limited & Others, before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") against inter alia Mr. Kailash Chandra Nuwal's vacation of office as director of Solar Industries India Limited ("Company") and the other reliefs as mentioned in the petition.

   In September 2020, the parties had advanced their respective arguments before the Hon'ble NCLT and the matter was reserved for orders on September 15, 2020. The Hon'ble NCLT pronounced its order through a virtual hearing on February 9, 2021. By way of the said order, which was made available to the company on 10th February, 2021, the Hon'ble NCLT has allowed the following reliefs:

   "a) That Respondents by themselves or through their servants, officers and agents be restrained by an order of injunction from acting in furtherance of or implementation of or pursuant of the notice dated 30/07/2020 and intimation of vacation of office made by R1 to the BSE and NSE dated 30/07/2020.

   b) That Respondents by themselves and/or through their servants, officers and agents be restrained from interfering and obstructing the Applicant No. 1 from acting as Director and Vice Chairman of R1 Company."

   Solar Industries India Limited had filed an appeal against the order of the Hon'ble NCLT dated February 09, 2021 ("Impugned Order") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 22, 2021. The matter was listed for hearing on February 25, 2021.

On February 25, 2021, after hearing the matter, the Hon'ble NCLAT has passed an order inter alia directing that:

"We have considered the submissions, it is directed that the operation of the impugned order dated 09.02.2021 is stayed till next date of hearing."

At the next hearing held on 15th March, 2021 the Hon'ble NCLAT has passed the following order:

"Let the matter be fixed 'For Admission (After Notice) on 19th March, 2021 at top of the list. Interim Order to continue till next date of hearing."

At the hearing held on 19th March, 2021 the Hon'ble NCLAT has passed the following order:

"Interim order to continue till the next date of hearing. Let the matter be fixed as 'Part Heard' on 05th April, 2021 on top of the list."

At the hearing held on 05th April, 2021 the Hon'ble NCLAT has passed the following order:

"Let the matter be fixed for arguments of Respondent Nos. 2 & 3 on 20th April, 2021.

Interim order to continue till the next date of hearing."

For Anant B Khamankar & Co.

Anant Khamankar
FCS No. – 3198
CP No. – 1860
UDIN: F003198C000365681

Place : Mumbai
Date : May 25, 2021

Annexure 'B2'

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31St March, 2021.

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

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

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

Based on our verification of Economic Explosives Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Economic Explosives Limited for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to Economic Explosives Limited as it is an unlisted public company:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other Applicable Laws:

(i) The Indian Boilers Act, 1923

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

(iii) Explosives Act, 1884

(iv) The Legal Metrology Act, 1999

(v) The Public Liability Insurance Act, 1991

(vi) Mines Act, 1952 (wherever applicable)

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

(viii) The Environment (Protection) Act, 1986

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

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

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

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

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

We further report that:

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

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

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

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

We further report that during the audit period:

a) The Board of Directors of the Company in its meeting held on 11th February, 2020 had approved draft Scheme of Merger of Blastec (India) Private Limited and Emul Tek Private Limited with Economic Explosives Limited. However, considering the current business requirements, the management of the Company is of the view to withdraw the said proposal. Board resolution approving the said withdrawal of merger was passed in the Board Meeting dated 11th November, 2020.

For Anant B Khamankar & Co.

Anant Khamankar
FCS No. – 3198
CP No. – 1860
UDIN: F003198C000365681

Place : Mumbai
Date : May 25, 2021

Annexure 'B3'

Annual Secretarial Compliance Report of Solar Industries India Limited

For the financial year ended 31st March, 2021.

To,
The Members,
Solar Industries India Limited
"Solar" House,
14 Kachimet, Amravati Road
Nagpur - 440023

We have examined:

(a) All the documents and records made available to us and explanation provided by Solar Industries India Limited. ("the Listed Entity")

(b) The fillings/ submissions made by the listed entity to the stock exchanges

(c) Website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company for the period under review)

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the Company for the period under review)

(d) Securities Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable to the Company for the period under review)

(e) Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company for the period under review)

(f) Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference shares) Regulations, 2013; (not applicable to the Company for the period under review)

(h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

(i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(j) Any other regulation as applicable: **Not Applicable**

Based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matter specified below : **Not Applicable**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
-	-	-	-

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.

(c) The following are the details of action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under : **Not Applicable**

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
-	-	-	-	-

(d) The listed entity has taken the following actions to comply with the observations made in the previous reports: **Not Applicable**

Sr. No.	Observations of the Practicing Company Secretary in previous report	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
-	-	-	-	-

For Anant B Khamankar & Co.

Anant Khamankar
FCS No. – 3198
CP No. – 1860
UDIN: F003198C000365681

Place : Mumbai
Date : May 15, 2021

Annexure 'C'

Annual Report on Corporate Social Responsibility (CSR) Activities

For the financial year ended March 31, 2021

1. CSR Policy:

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office through a range of structured interventions in the areas of:

(i) Disaster Management and Covid Relief efforts

(ii) Education

(iii) Health & Hygine

(iv) Environmental Sustainability.

2. Composition of CSR Committee

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

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

Link: https://reports.solargroup.com/PCSR.pdf

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

Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programmes. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and shall initiate steps to conduct impact assessment of CSR projects through an independent agency from the financial year 2021-22, for the applicable projects.

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

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

6. Average net profit of the Company as per section 135(5) for F.Y. 2020-2021: **₹ 254.94 Crore**

7. (a) Two percent of average net profit of the Company as per section 135(5): **₹ 5.10 Crore**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Nil**

(c) Amount required to be set off for the financial year, if any. **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ **5.10 Crore**

8. (a) CSR amount spent or unspent for the financial Year 2020-2021:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 5.16 Crore	Nil	Nil	Nil	Nil	Nil

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the CSR Project/ Activities	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (amount in Crores)	Mode of implement-tation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District.			Name	CSR Registration number
1.	**COVID relief efforts to combat COVID-19 (Pandemic)**	Disaster management including relief rehabilitation and Reconstruction							
	Supply of essential food items.		yes	Maharashtra	Nagpur	1.31	Direct	N.A	N.A
	Supply of PPE Kits.		Yes	Maharashtra	Nagpur		Direct	N.A	N.A
	Setting up of Covid Care Centre		Yes	Maharashtra	Nagpur		Direct	N.A	N.A
	Distribution of pulse oximeters.		Yes	Maharashtra	Nagpur		Direct	N.A	N.A
2.	**Provisioning Ambulance**	Promoting health care including preventive health care activities	Yes	Maharashtra	Katol Nagpur	1.15	Direct	N.A	N.A
	Free medical checkup camps for local communities		Yes	Kerala	Pathanamthitta district	0.05	In Direct through Implementing agency.	Learn Foundation	

(1) Sr. No	(2) Name of the CSR Project/ Activities	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (amount in Crores)	(7) Mode of implement-tation Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District.			Name	CSR Registration number
3.	**Initiatives for Wild life Protection, Forestation and soil conservation works etc.**	Ensuring environmental sustainability	Yes	Maharashtra	Forest Kapna & Katol, Nagpur	1.20	Direct	N.A	N.A
4.	**Infrastructure development of School**	Promotion of Education	Yes	Maharashtra	Nagpur	1.08	Direct	N.A	N.A
	Providing education to enhance employability skills.		Yes	Maharashtra	Parsodi Village Nagpur		Direct	N.A	N.A
	Providing education to tribal students.		Yes	Maharashtra	Tribal Villages		Direct	N.A	N.A
5.	**Infrastructural development of public places in Nagpur**	Ensuring environmental sustainability	Yes	Maharashtra	Nagpur	0.31	Direct	N.A	N.A
6.	**Initatives to improve Sanitation and promote Hygine.**	Sanitation including contribution to swatch Bharat Kosh set-up by the Central Government for promotion of sanitation	Yes	Maharashtra	Bazargaon Nagpur	0.06	yes	N.A	N.A
	TOTAL					₹ 5.16			

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

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)= **₹ 5.16 Crore**

(g) Excess amount for set off, if any

(₹ In Crores)

Sr. No	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	5.10
(ii)	Total amount spent for the Financial Year	5.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.06

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

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

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

(₹ In Crores)

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced	(5) Project duration.	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting Financial Year	(8) Cumulative amount spent at the end of reporting Financial Year	(9) Status of the project - Completed / Ongoing.
1	-	Infrastructure Development of School	2019-20	3 years	3.00	1.00	2.00	ongoing
	TOTAL				**3.00**	**1.00**	**2.00**	

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

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

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

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

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

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

For and on behalf of the CSR Committee

Place : Nagpur
Date : May 27, 2021

(Satyanarayan Nuwal)
Chairman
Corporate Social Responsibility Committee

Annexure 'D'

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A. CONSERVATION OF ENERGY

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

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

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

The Company gets energy audit conducted internally and by experts on regular basis and take corrective actions.

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

The Company has spent ₹ 0.66 Crores as capital investment on energy conservation equipment during the FY 2020-21.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

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

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

RESEARCH AND DEVELOPMENT (R&D)

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

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

b) Benefits derived as results of above:

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

c) **Future plan of action:**

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

d) **Expenditure on R&D:**

(₹ in Crores)

Sr. No	Particulars	2020-21
1.	Capital	0.00
2.	Recurring	3.56
3.	Total	3.56
4.	R&D Expenditure percentage of Turnover	0.22 %

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Crores)

Sr. No	Particulars	2020-21
a.	Earnings in Foreign Exchange	11.03
b.	Outgo in Foreign Exchange	131.20

For and on behalf of the Board

Place : Nagpur
Date : May 27, 2021

(Satyanarayan Nuwal)
Chairman

Report on Corporate Governance

1. Corporate Governance

1.1 Introduction:

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

1.2 Company's Philosophy on Corporate Governance:

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

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

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

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

- Code of Conduct for Directors and Senior Management Personnel
- Code of fair disclosures of unpublished price sensitive information
- Remuneration Policy for Directors, KMP and other Employees
- Vigil Mechanism and Whistle Blower Policy
- Corporate Social Responsibility Policy
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Policy on prevention of Sexual Harassment at work place
- Policy on Environment, Health and Safety
- Policy on Disclosure of Material Events
- Policy on Preservation of Documents
- Policy for Dividend Distribution
- Policy for procedure of inquiry for leak of UPSI
- Information Security Policy
- Data Privacy Policy

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

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

2. First Layer Governance by Board of Directors

The Corporate Governance structure at Solar is as follows:

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

2.1 Composition of Board:

The Board of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on date of this Report, the Board consists of nine Directors comprising one Executive Chairman, five Independent Directors and three Executive Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board as part of its succession planning exercise periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Board, during the year, approved the appointment of Smt. Sujitha Karnad as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. December 15, 2020.

Confirmation and Certification

The Company annually obtains from Directors, details of the Board and Board Committee positions he/ she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. Joshi Pahade & Associates, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

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

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

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

2.3 Board Procedures:

Meetings:

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

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

During the financial year 2020-21 all the Board and Committee meetings were conducted through audio visual means as per the circulars/rules issued by Ministry of Corporate affairs (MCA) and Securities Exchange Board of India (SEBI) from time to time, for conduct of meetings during pandemic.

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

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

The Board has unrestricted access to all the Company-related information which includes as specified in Regulation 17 and Schedule II (A) of SEBI (LODR) Regulation, 2015.

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

Recording minutes of proceedings at Board and Committee Meetings:

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

Post meeting follow-up mechanism

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

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

Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meetings, is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Meetings during the year:

During the FY 2020-21, the Board of Directors met Four times i.e. July 31, 2020, September 14, 2020, November 11, 2020 and January 29, 2021. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

2.4 Independent Directors

Separate Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on November 10, 2020.

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

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

iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Terms and conditions of appointment

As required under Regulation 46(2)(b) of the SEBI (LODR) Regulation, 2015, the Company has issued formal letters of appointment to the Independent Directors. The terms &

conditions of their appointment are posted on the Company's website and can be accessed at **www.solargroup.com**

Familiarisation Program of Independent Directors

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy. Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the link: **https://reports.solargroup.com/FPFID.pdf**

Confirmation by Independent Directors

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

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.

None of the Independent Directors of the Company serves 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.

Governance Codes

Conflict of Interests

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

Table 1: Composition of the Board and attendance records of Directors as on March 31, 2021

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

Sr. No.	Name of the Director	Category	Attendance at	
			Board Meeting	Last AGM
9.	Smt. Sujitha Karnad^ DIN: 07787485	Additional Director (Non-Executive Independent Director)	1/1	NA
10.	Smt. Madhu Vij* DIN: 00025006	Non-Executive Independent Director	2/2	Present

Note:-

1. ^ Smt. Sujitha Karnad has been appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated December 15, 2020.
2. * Smt. Madhu Vij was not re-appointed by the Members of the Company at their Meeting held on September 16, 2020.
3. Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

2.5 Confirmation from the Board

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

2.6 Profile of Board of Directors

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

2.7 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.
- 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.
- 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, 2018
- Compliances of any regulatory, statutory or listing requirements.

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 Support

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

Directorships and Memberships of Board Committees

Table 2: Directorships/committee positions as on March 31, 2021

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	05	-	-
2.	Shri Manish Nuwal DIN: 00164388	Managing Director and CEO	05	-	03
3.	Shri Suresh Menon DIN: 07104090	Executive Director	01	-	-
4.	Shri Anil Kumar Jain DIN: 03532932	Executive Director	02	-	01
5.	Shri Dilip Patel DIN: 00013150	Non-Executive Independent Director	05	05	06
6.	Shri Ajai Nigam DIN: 02820173	Non-Executive Independent Director	02	-	01
7.	Shri Amrendra Verma DIN: 00236108	Non-Executive Independent Director	05	03	06
8.	Shri Sunil Srivastav DIN: 00237561	Non-Executive Independent Director	07	01	04
9.	Smt. Sujitha Karnad^ DIN: 07787485	Additional Director (Non-Executive Independent Director)	01	-	-
10.	Smt. Madhu Vij* DIN: 00025006	Non-Executive Independent Director	03	-	-

Note:

1. ^ Smt. Sujitha Karnad has been appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated December 15, 2020.
2. * Smt. Madhu Vij was not re-appointed by the Members of the Company at their Meeting held on September 16, 2020.
3. Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

Notes:

- Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies and Foreign Companies.
- Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Grievance Committee.
- None of the directors were members in more than 10 committees and had not held Chairmanship in more than five committees across all Companies in which he/she was a director as on March 31, 2021.

Table 2A: Given below is the chart setting out the skills/ expertise/ competencies of the Board of Directors and names of the Listed Companies wherein the Directors of the Company are Directors:

Sr.No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
1.	Shri Satyanarayan Nuwal DIN: 00713547	A first generation entrepreneur with expertise in Business Management and Corporate Planning.	-
2.	Shri Manish Nuwal DIN: 00164388	A second generation entrepreneur and an industrialist with a stupendous financial and management skills. His leadership skills have helped scal the overseas business across new countries. He also provides his intellect in commercial and technical matters.	-
3.	Shri Anil Kumar Jain DIN: 03532932	Years of experience in management of operations across all plants.	-
4.	Shri Suresh Menon DIN: 07104090	A deep understanding of explosives market (both at Domestic and global markets).	-
5.	Shri Dilip Patel DIN: 00013150	Strong financial and leadership skills backed with effective communication skills.	Godavari Drugs Limited (Non-Executive Independent Director)
6.	Shri Ajai Nigam DIN: 02820173	He possess deep knowledge and understanding of Explosives Act, Rules and Regulations.	-
7.	Shri Amrendra Verma DIN: 00236108	A financial expert with vast knowledge in finance and Banking sector.	1. Electro Steel Castings Ltd (Non-Executive Independent Director) 2. Security and Intelligence Services (India) Limited (Non-Executive Independent Director)
8.	Shri Sunil Srivastav DIN: 00237561	He has very rich knowledge of Banking Sector with vast experience and specialization in the field of Digital and Retail Finance Business.	1. Paisalo Digital Limited (Non-Executive Independent Director) 2. Eros International Media Limited (Non-Executive Independent Director) 3. Star Paper Mills Limited (Non-Executive Independent Director) 4. Security and Intelligence Services (India) Limited (Additional Director)
9.	Smt. Sujitha Karnad^ DIN: 07787485	She has rich experience in the areas strategic HR Management and implementation of IT solutions.	-

Notes:

1. ^ Appointed as an Additional (Non-Executive Independent Director) of the Company through circular resolution dated December 15, 2020.
2. Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

2.8 Relationship between Directors inter-se

Table 3: Disclosure of relationships between Directors inter-se.

Sr. No.	Executive Directors	Relationship with other Directors
1.	Shri Satyanarayan Nuwal	Father of Shri Manish Nuwal
2.	Shri Manish Nuwal	Son of Shri Satyanarayan Nuwal
3.	Shri Suresh Menon	____
4.	Shri Anil Kumar Jain	____

Note:

Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal is Brother of Shri Satyanarayan Nuwal and Uncle of Shri Manish Nuwal.

2.9 Directors Shareholding

No inter-se relationship with any of the Non-Executive Independent Directors of the Company.

Table 4: Directors Shareholding as on March 31, 2021

Sr. No.	Executive Directors	No. of Equity Shares held
1.	Shri Satyanarayan Nuwal	13238254
2.	Shri Manish Nuwal	25232069
3.	Shri Suresh Menon	Nil
4.	Shri Anil Kumar Jain	705

Note:

1. None of the Non-executive Independent Directors of the Company hold Equity Shares of the Company during the financial year ended as on March 31, 2021.

2. Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal holds 20882963 equity shares in the Company.

2.10 Code of Conduct:

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

All board members and senior management personnel have affirmed compliance with the code. A declaration to this effect is signed by Shri Manish Nuwal, Managing Director and Chief Executive Officer is attached and forms part of the Annual Report of the Company.

2.11 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, the Board has carried out the annual performance evaluation of its own performance, the Chairman, the Directors individually, Chief Financial Officer, Company Secretary as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, CSR Committee and Risk Management Committee.

This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board Member, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on ratings. The Directors expressed their satisfaction with the evaluation process.

3. Second Layer Committees of Board of Directors

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

The Company has Six Board-level Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Executive Committee

3.1 Audit Committee

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

Besides, having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as the link between Statutory and Internal Auditor and the Board of Directors of the Company. It reviews Financial Statements and investment of unlisted subsidiary Companies, Management Discussion & Analysis of financial condition and results of operations etc.

A. Extract of Terms of Reference

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

1. Oversight of financial reporting process.
2. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
3. Evaluation of internal financial controls and risk management systems.
4. One-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and Cost Auditors and their remuneration.
5. Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
6. Review of Business Risk Management Plan.
7. Review of Forex policy.
8. Review of Management Discussions and Analysis.
9. Review of Internal Audit Reports and significant related party transactions.
10. Reviewing the utilisation of loans and/or advances.

The Statutory Auditors of the Company are invited to attend and participate at the meetings of the Audit Committee.

The Chairman of the Audit Committee Shri Dilip Patel attended the last Annual General Meeting held on September 16, 2020.

M/s D L & Associates and M/s Ekbote Deshmukh & Co. performed the Internal Audit function of the Group for the FY 2020-21.

B. Meetings during the year

The Audit Committee met four times during the year under review. The Committee meetings were held on July 31, 2020, September 14, 2020, November 11, 2020 and January 29, 2021. The necessary quorum was present during the meetings.

C. Composition and Attendance

Table 5 : Composition and attendance of Audit Committee as on March 31, 2021

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

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

Note:

*Shri Sunil Srivastav has appointed as a Member of the Audit Committee w.e.f May 27, 2021.
**Shri Ajai Nigam has stepped down from membership of Audit Committee w.e.f May 27, 2021.
*** Smt. Madhu Vij was not re-appointed by the Members of the Company at their Meeting held on September 16, 2020.

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Audit Committee possess financial / accounting expertise / exposure.

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and 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 includes review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same.

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

A. The primary responsibilities of this Committee include:

1. Identifying potential candidates who are qualified to become Directors and who may be appointed in senior management.
2. Determining the composition of the Board of Directors and the sub-committees of the board.
3. Specify methodology for effective evaluation of performance of Board/Committees/Directors either by Board, NRC or an Independent external agency and to review implementation of evaluation system;
4. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
7. To assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain the best available personnel for position of substantial responsibility with the Company.
8. Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.
9. Devising a policy on diversity of board of directors.
10. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
11. Recommend to the board, the remuneration of the Directors, Key Managerial Personnel and other employees and in whatever form payable to senior management.
12. Undertake any other matters as the Board may decide from time to time.

Company has framed the Nomination & Remuneration Policy which is available at its website: **www.solargroup.com**

B. Meetings during the year:

The Nomination and Remuneration Committee met three times during the year under review on July 31, 2020, November 11, 2020 and January 28, 2021.

The necessary quorum was present during the meetings.

C. Composition and Attendance

Table 6 : Composition and attendance of Nomination and Remuneration Committee as on March 31, 2021

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

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

Note:
*Smt. Sujitha Karnad has appointed as a Member of the Nomination and Remuneration Committee w.e.f May 27, 2021.
**Shri Ajai Nigam has stepped down from membership of Nomination and Remuneration Committee w.e.f May 27, 2021.

D. Remuneration Policy

1. Remuneration to Executive Directors

The appointment and remuneration of all the Executive Directors including Chairman and Managing Director of the Company is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company's website viz. www.solargroup.com.

Presently, the Company does not have a stock options scheme for its Directors.

E. Executive Directors Remuneration:

The remuneration paid to the Executive Directors during the FY 2020-21 is as below:

Table 7 : Remuneration paid to Executive Directors during the FY 2020-21:

(₹ in Crores)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
1.	Shri Satyanarayan Nuwal Chairman & Executive Director	1.20	1.50	0.06	As per policies and rules of the Company	0.00	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	As per the rules of the Company	Nil
2.	Shri Manish Nuwal Managing Director & CEO	1.20	1.50	0.06		0.00				Nil
3.	Shri Suresh Menon Executive Director	0.48	-	0.01		0.00				Nil
4.	Shri Anil Kumar Jain Executive Director	0.51	-	0.01		0.00				Nil

Note: -

Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. He was paid remuneration of ₹ 0.68 Crore till June 2020.

F. 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) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no pecuniary transactions with any Non- Executive Independent Director of the Company.

The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e. www.solargroup.com

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the FY 2020-21. None of the Non-Executive Directors held any share in the Company.

No stock options were issued by the Company during the year under report.

The sitting fees [Remuneration] paid to the Non-Executive Independent Directors during the FY 2020-21 is as below:

Table 8: Remuneration paid to Non-Executive Directors during the FY 2020-21

Sr. No.	Non-Executive Directors	Sitting Fees (₹)
1.	Shri Dilip Patel	3,87,000.00
2.	Shri Amrendra Verma	4,13,000.00
3.	Shri Ajai Nigam	3,80,000.00
4.	Shri Sunil Srivastav	2,60,000.00
5.	Smt. Sujitha Karnad^	70,000.00
6.	Smt. Madhu Vij*	1,60,000.00

Note: -

^ Smt. Sujitha Karnad is appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated December 15, 2020.

* Smt. Madhu Vij was not re-appointed by the Members of the Company at their Meeting held on September 16, 2020.

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

G. Succession planning

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the Board of Directors and the organisation to introduce new perspectives while maintaining experience and continuity.

3.3 Stakeholders Relationship Committee

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

A. The primary responsibilities of this Committee includes:

1. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
2. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
3. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
4. Perform such other functions as may be necessary or appropriate for the performance of its duties
    a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
    b. Review of measures taken for effective exercise of voting rights by shareholders.
    c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
    d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Perform such other functions as may be necessary or appropriate for the performance of its duties.

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on July 31, 2020, September 14, 2020, November 11, 2020 and January 28, 2021. The necessary quorum was present during the meetings.

C. Composition and Attendance

Table 9: Composition and attendance of Stakeholders Relationship Committee as on March 31, 2021

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

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

D. Nature of Complaints and Redressal Status

Table 10: Nature of Complaints and Redressal Status

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the FY 2020-21	0
Number of Complaints received during the FY 2020-21 (July 1, 2020 to September 30, 2020)*	1
Number of Complaints redressed during the FY 2020-21	0
Complaints pending at the end of the FY 2020-21	1

*This complaint was filed by Shri Kailashchandra Nuwal and his Family members. They had instituted proceedings by way of Company petition, before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") under Section 241-242 of the Companies Act, 2013. In the said petition they had also sought certain interim reliefs.

In September 2020, the parties had advanced their respective arguments before the Hon'ble NCLT and the matter was reserved for orders on September 15, 2020. The Hon'ble NCLT pronounced its order through a virtual hearing on February 9, 2021. By way of the said order, the Hon'ble NCLT had allowed the following reliefs:

a) That Respondents by themselves or through their servants, officers and agents be restrained by an order of injunction from acting in furtherance of or implementation of or pursuant of the notice dated July 30, 2020 and intimation of vacation of office made by R1 to the BSE and NSE dated July 30, 2020.

b) That Respondents by themselves and/or through their servants, officers and agents be restrained from interfering and obstructing the Applicant No. 1 from acting as Director and Vice Chairman of R1 Company."

Solar Industries India Limited had filed an appeal against the order of the Hon'ble NCLT dated February 9, 2021 ("Impugned Order") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 22, 2021.

On February 25, 2021, after hearing the matter, the Hon'ble NCLAT stayed the operation of the impugned order of Hon'ble NCLT dated February 9, 2021.

The Company Secretary, Mrs. Khushboo Pasari is designated as Compliance Officer who oversees the redressal of the investor`s grievances.

3.4 Corporate Social Responsibility Committee

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

A. Terms of Reference

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

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

iii. To ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.

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

v. To coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.

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

vii. To report regularly to the Board.

The Company has framed the CSR Policy which is available at its website: **https://reports.solargroup.com/PCSR.pdf**

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on July 31, 2020, September 14, 2020, November 11, 2020 and January 28, 2021.

The necessary quorum was present during the meetings.

Composition of CSR Committee

Table 11: Composition and attendance of Corporate Social Responsibility Committee as on March 31, 2021

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

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

3.5 Risk Management

The Committee is constituted in line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks as also to identify business opportunities.

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

A. Terms of reference:

i. To enable visibility and oversight of Board on risk management system and material risk exposures of the Company.

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

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

iv. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.

v. Contributing towards more efficient use/ allocation of the resources within the organization.

vi. Protecting and enhancing assets and company image.

vii. Reducing volatility in various areas of the business.

viii. Developing and supporting people and knowledge base of the organization.

ix. Optimizing operational efficiency

B. Meetings during the Year:

The Committee met one time during the year under review. The Committee meeting was held on January 28, 2021.

The necessary quorum was present during the meetings.

C. Composition and Attendance

Table 12: Composition and attendance of Risk Management Committee as on March 31, 2021

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

Note:

*Appointed as a Members of the Company w.e.f May 26, 2021.

** Shri Sartaj Singh has stepped down from the Risk Management Committee w.e.f March 31, 2021.

***Shri Nilesh Panpaliya has stepped down from the position of Chief Financial Officer and Risk Management Committee w.e.f May 14, 2021.

3.4 Executive Committee:

The Executive Committee was constituted on November 11, 2020, with an objective to manage the day to day operations of the Company in a smooth way. The Executive Committee looks after day to day business like planning, corporate governance, finance, audit, human resources, occupational health and safety, operational issues, performance monitoring, stakeholder management and takes decisions on matters requiring immediate attention.

The Executive Committee is comprised of Executive Director(s) of the Company. The Managing Director and CEO of the Company is the Chairman of Executive Committee.

A. Terms of reference:

1. The principal responsibilities of the Executive Committee are as follows:

1.1 Reviewing strategic and operational plan of the Company and advising on its execution to the Management.

1.2 Advising the management and executives on implementing the Company's laid down policies.

1.3 Ensuring that all approvals of finance arrangements are in place, finance for operations is available on time and at the best rate, financial compliances are being done.

1.4 Overseeing that the human resources are efficiently and effectively managed and monitoring all activities with feedback contributing to the continuous improvement in governance.

1.5 Guiding the management and executives whenever required on day to day administration.

B. Meetings during the Year:

The Committee met five times during the year under review. The Committee meetings were held on November 27, 2020, December 10, 2020, January 13, 2021, February 22, 2021 and March 12, 2021.

The necessary quorum was present during the meetings.

C. Composition and Attendance

Table 13: Composition and attendance of Executive Committee as on March 31, 2021

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Manish Satyanarayan Nuwal	Chairman	Managing Director & CEO	5/5
2.	Shri Anil Kumar Jain	Member	Executive Director	5/5
3.	Shri Suresh Menon	Member	Executive Director	5/5

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

4. Committee Minutes

Minutes of meetings of all the Committees of the Board are prepared by the Secretary of the Committee, approved by the Chairman of the Meeting, entered in their respective Minutes Book within stipulate time frame, circulated to the Board in the Agenda for the succeeding meeting and adopted and taken on record.

5. Third Layer Governance by Shareholders

a) General Body Meetings

Table 14: Information of last three Annual General Meetings (AGMs) held

Year	Location	Date & Time	Special Resolution Passed
25th AGM 2020	Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	September 16, 2020 at 11.30 A.M	Special Resolution was proposed for Re-appointment of Smt. Madhu Vij as a Non-Executive Independent Director and same was not passed by the Members of the Company.
24th AGM 2019	Hotel Tuli Imperial , Central Bazar, Ramdaspeth Nagpur 440010	July 31, 2019 at 1.00 P.M	Special Resolution was passed for Re-appointment of Shri Dilip Patel, Shri Ajai Nigam, Shri Amrendra Prasad Verma, Shri Anant Sagar Awasthi as a Non-Executive Independent Director.
23rd AGM 2018	Hotel Tuli Imperial , Central Bazar, Ramdaspeth Nagpur 440010	July 31, 2018 at 12.30 P.M	• Increase in Limits of Borrowings U/S 180 (1) (c) of the Companies Act, 2013. • Increase in limits of providing security u/s 180 (1) (a) of the Companies Act, 2013 in connection with the borrowing of the Company

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

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

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

6. MEANS OF COMMUNICATION

6.1 Quarterly Results

The quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

6.2 Newspapers wherein results are normally published:

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

6.3 Any website, where displayed

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

6.4 Whether it also displays official news releases

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

6.5 Presentations to Institutional Investors or Analysts

During the FY 2020-21, presentations made to institutional investors or analysts by Solar Industries India Limited are displayed on the Company's website www.solargroup.com

6.6 Company's Corporate Website

The Company's website is a comprehensive reference on Solar's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations etc.

The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and Share transfer Agents.

6.7 Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Reports forms part of the Annual Reports and is displayed on the Company's website www.solargroup.com.

6.8 Chairman's Communique

Chairman's Speech shall be distributed to the Shareholders over Email. The same is also placed on the website of the Company i.e. www.solargroup.com

6.9 Designated Exclusive email-id for investor services

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

6.10 NSE Electronic Application Processing System (NEAPS)

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

6.11 BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

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

6.12 SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

6.13 Reminder to Investors

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

7. General Shareholder Information and Disclosures

7.1 Annual General Meeting

Day & Date: Tuesday, August 31, 2021

Time: 11.30 a.m.

Venue: The Company is conducting meeting through VC/ OAVM and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM, for compliance purpose the Annual General Meeting of Company shall be deemed to be held at the registered office of the Company at Solar House, 14 Kachimet, Amravati Road, Nagpur-440023.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

7.2 Financial Calendar

Our tentative calendar for declaration of results for the financial year 2021-22 is given below:

Table 15: Financial results schedule for the year 2021-22

Particulars	Tentative Schedule
Financial Reporting for the Quarter ending June 30, 2021	On or before August 14, 2021
Financial Reporting for the Quarter ending September 30, 2021	On or before November 14, 2021
Financial Reporting for the Quarter ending December 31, 2021	On or before February 14, 2022
Financial Reporting for the Year/ Quarter ending March 31, 2022	On or before May 30, 2022
Annual General meeting for the Year ending March 31, 2022	On or before September 30, 2022

7.3 Final Dividend

The Board of Directors of the Company has proposed the Final Dividend of ₹ 6/- Per Equity Share for the financial year ended on March 31, 2021 subject to the approval by the shareholders of the Company at the 26th Annual General Meeting.

Dates of Book Closure

The Register of Members and the share Transfer Books of the Company shall remain closed from Saturday, August 21, 2021 to Tuesday, August 31, 2021 (both days inclusive) for payment of Final Dividend and Annual General Meeting

7.4 Final Dividend Payment Date

The payment of dividend, upon approved by the shareholders at the forthcoming Annual General Meeting, will be made on Thursday, September 9, 2021.

1. To all those Beneficiaries holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at end of the day on Friday, August 19, 2021.

2. To all those shareholders holding shares in physical form, after giving effects to all the valid share transfers lodged with the Company on or before the closing hours on Friday, August 19, 2021.

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

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

7.5 Corporate Identity Number (CIN)

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

7.6 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/Scrip Code	Address	ISIN Number for NSDL/ CDSL(Dematerialised shares)
1	BSE Limited	532725	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	INE343H01029
2	National Stock Exchange of India Limited, Mumbai (NSE)	SOLARINDS	Exchange plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	

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

7.7 Market Price Data

High, Low (based on daily closing prices) during each month in the FY 2020-21 on NSE and BSE:

Table 17: Market Price data of Solar Industries India Limited

MARKET PRICE DATA OF BSE & NSE STOCK EXCHANGES FY 2020-21

MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	SHARE PRICE		SENSEX POINTS		SHARE PRICE		S & P CNX NIFTY POINTS	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
April 2020	931.00	850.00	33,887.25	27,500.79	931.95	849.00	9889.05	8055.80
May 2020	924.95	853.25	32,845.48	29,968.45	925.00	851.05	9598.85	8806.75
June 2020	1125.00	887.05	35,706.55	32,348.10	1125.00	885.05	10553.15	9544.35
July 2020	1103.00	964.55	38,617.03	34,927.20	1110.00	972.25	11341.40	10299.60
August 2020	1190.00	925.00	40,010.17	36,911.23	1189.95	940.00	11794.25	10882.25
September 2020	1127.25	967.10	39,359.51	36,495.98	1139.00	966.30	11618.10	10790.20
October 2020	1160.00	978.30	41,048.05	38,410.20	1160.00	1005.00	12025.45	11347.05
November 2020	1080.00	977.45	44,825.37	39,334.92	1067.80	978.00	13145.85	11557.40
December 2020	1115.00	1020.35	47,896.97	44,118.10	1114.00	1027.10	14024.85	12962.80
January 2021	1250.00	1084.10	50,184.01	46,160.46	1243.95	1084.70	14753.55	13596.75
February 2021	1402.65	1125.00	52,516.76	46,433.65	1410.30	1122.95	15431.75	13661.75
March 2021	1420.00	1244.80	51,821.84	48,236.35	1421.45	1243.25	15336.30	14,264.40

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

7.9 Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

7.10 Share Transfer System

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

7.11 Distribution of shares and shareholding pattern as on March 31, 2021

Table 18: Shareholding pattern as on March 31, 2021

Shareholding of nominal value (₹)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1 - 500	13984	966253	94.5120
501 – 1000	354	267918	2.3925
1001 – 2000	162	230814	1.0949
2001 – 3000	82	204520	0.5542
3001 – 4000	33	117547	0.2230
4001 – 5000	28	128681	0.1892
5001 – 10000	52	373946	0.3514
10001-- *****	101	88200376	0.6826
TOTAL	14796	90490055	100

Table 19: Shareholding Pattern (Category wise) as on March 31, 2021

Sr. No.	Category	No. of Shareholders	Total Share holding	% Total Share holding
1	Promoters	7	66191271	73.1476
2	Resident Individuals(public)	13708	3058022	3.3794
3	Hindu Undivided Family	413	291546	0.3222
4	Mutual Funds	45	14671688	16.2136
5	Clearing Members	43	5945	0.0066
6	Other Bodies Corporate	158	701731	0.7755
7	Investor Education And Protection Fund	1	1745	0.0019
8	Non Resident Indians	229	58653	0.0648
9	Non-Resident Indians(Non Repatriable)	154	44592	0.0493
10	Non Nationalised Banks	2	200	0.0002
11	NBFCs Registered With RBI	1	470	0.0005
12	GIC & its Subsidiaries	1	564547	0.6239
13	Foreign Portfolio Investor(Corporate)	33	4898683	5.4135
14	Insurance Companies	1	962	0.0011
	TOTAL	**14796**	**90490055**	**100**

7.12 Dematerialisation of Shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

90490000 Ordinary Shares of the Company representing 99.99% of the Company's share capital is dematerialised.

7.13 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

7.14 Disclosure Related to Commodity Price Risks and Commodity Hedging Activities

During the FY 2020-21, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note 32 to the Annual Accounts of the Company.

7.15 Plant Locations as on March 31, 2021

Table 20: Plant Locations as on March 31, 2021

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 Industrial Area, Teh. Waidhan, Dist. Singrauli (M.P.) - 486 886	Waidhan , Madhya Pradesh
3	Solar Industries India Limited, Warur	Survey No. 101, Warur Road, Tahsil - Rajura, Dist. Chandrapur (M.S.) - 442 905	Chandrapur, Maharashtra.
4	Solar Industries India Limited, Korba	Khasra No. 5, Village-Mudapar, (Hardi Bazar) Po- Korbi/ Dhatura, Tahsil:Pali, Dist-Korba (Chhattisgarh) Pin-495446	Korba, Chattisgarh.
5	Solar Industries India Limited, Ramgarh	Plot No. 967 & 1156, Village -Manua(Binjhar), Post-Argada(Hesla), Dist. Ramgarh (Jharkhand) - 829 101.	Hazribagh, Jharkhand.
6	Solar Industries India Limited, Tadali	Plot No. B-11, MIDC Growth Centre, Tadali, Dist. Chandrapur (M.S.)	Tadali, Distt-Chandrapur Maharashtra
7	Solar Industries India Limited, Dhanbad	Plot No. C-32-33 (P), Kandra Industrial Area, At-Bhetia,Post: Govindpur, Dist. Dhanbad (Jharkhand) - 828109	Dhanbad, Jharkhand.
8	Solar Industries India Limited, Asansol	Plot No. 2/848, 3&5, Mouza Barapukuria, Post: Kalla(C.H), District : Paschim Bardhaman (West Bangal) - 713340	Burdwan, West Bengal
9	Solar Industries India Limited, Talcher	IDCO Plot No. 27,Revenue Plot No. 48(P),Industrial Estate,Village-Ghantapada, Post- South Balanda(Talcher), Dist-Angul(Odisha),Pin-759116	Angul, Orissa.
10	Solar Industries India Limited, Manendragarh	Khasara No. 323/2 Mouza - Chainpur , Tahsil & Post-Manendragarh, Dist- Korea (Chhattisgarh) Pin Code- 497442	Koria, Chattisgarh.
11	Solar Industries India Limited, Karimnagar	Survey No. 363, Village:Mustial, Post:Sundilla, Mandal-Ramagiri, Dist.Peddapalli, State-Telangana 505209	Karimnagar, Andra Pradesh
12	Solar Industries India Limited, Jharsuguda	Plot No.389 to 392, village-Beherapali, Post Badmal, Tehsil Jharsuguda, Dist. Jharsuguda (Odisha) - 768 202	Jharsuguda, Orissa
13	Solar Industries India Limited, Waidhan Unit-2	KH. No. 975/2 ,Post -Ganiyari, Tahsil- Waidhan, District-Singrauli (M.P.)486886	Dist. Singrauli (M.P)
14	Solar Industries India Limited, Bhilwara	Khasra No. 1459 & 1460, Village- Rupaheli , Tah.-Hurda, Dist.-Bhilwara, State – Rajasthan- 311030	Tahesil Hurda, Dist Bhilwara (Raj.)
15	Solar Industries India Limited, Kothagudem	Survey No 117, Village: Penagadapa , Post:Venkateshkhani, Mandal-Kothagudem , Dist.Bhadradri Kothagudem ,State -Telangana 507103.	Dist-Khammam (AP) -507103
16	Solar Industries India Limited, Kota	Khasra No 132 & 137, Village Dingsi, Post - Suket, Tahsil Ramganj Mandi, District Kota - 326530 (Rajasthan).	Dist- Kota (Rajasthan)
17	Solar Industries India Limited, Barbil	(Khata no. 118/22) plot no.1048, 1046/1265, 1047, 1049, 1035, 1134, 1034, 1046/1264 & 1046, Village Naibaga, Tehsil Jhumpura, District - Keonjhar (Odisha) - 758034	Dist- Keonjhar (OR)- 758031
18	Economic Explosives Limited	Village – Sawanga	Teh and Dist: Nagpur
19	Economic Explosives Limited, Nimjee	Kh – 40/1 & 40/2 , Khapri, PO – MIDC,Gondkhari, Kamleshwar Road	
20	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh - 486886.	Distt – Singrauli (MP)
21	Blastec (India) Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District- Raigarh, Chhattisgarh. 496001	Teh & Distt- Raigarh (CG)
22	Blastec (India) Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli. M.P 486886	Distt – Singrauli (MP)
23	Blastec (India) Private Limited	Survey No. 624/3, Plot no. 14, Town/Village - Ratija, Korba, Chhattisgarh. Pincode-495449	Teh & Distt- Korba (CG)
24	Solar Industries India Limited, Kotputli (Under Process)	Kh.No. 200,201/1034,201 & 218 Village Kujota, Tahsil - Kotputli, Dist. - Jaipur, Rajasthan	Kotputli

Sr. No.	Unit	Address	City
25	Solar Industries India Limited, Bhadesar (Under Process)	Survey No 2683,2684, & 2685 Village - Bhadesar - 312602 Tahsil - Bhadsora Dist. Chittorgarh - Rajasthan	Bhadsora
26	Solar Industries India Limited, Satna (Under Process)	Survey No 153/1, Patwari Halka no 32, Village – Bagha, Tahsil – Rampur (Bhaghelan) Dist. Satna - MP	Satna, MP
27	Solar Industries India Limited, Seppakkam (Under Process)	Survey No 281/1,281/2, 281/3, 281/4, 281/5, 281/6 A, 281/8 and 281/9 Village – Seppakkam, Dist– Cuddalore , Tamilnadu	Seppakkam, Tamilnadu
28	Solar Industries India Limited, Pallewada (Under Process)	Survey No 187/A/A & 188/A/B Village – Pallewada Dist. Khammam - Telangana	Pallewada, Telangana
29	Blastec (India) Private Limited, Warur (Under Process)	Survey No 101 (Part Land, Village – Warur Road, Tahsil – Rajura, Dist. Chandrapur - Maharashtra	Chandrapur Maharashtra

7.16 Address for correspondence

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

Solar Industries India Limited
Khushboo Pasari
Compliance Officer/Company Secretary
"Solar" House, 14, Kachimet, Amravati Road
Nagpur-440023, Maharashtra
Tel: (0712) 6634555
Fax: (0712) 2560202
Email: **investor.relations@solargroup.com**
CIN: L74999MH1995PLC085878

7.17 Credit Rating

The table below depicts the strong credit ratings ascribed by rating agencies:

Sr. No.	Particulars	Rating
1.	Long Term Borrowings	CRISIL AA+/Stable (Reaffirmed)
2.	Short Term Borrowings	CRISIL A1+ (Reaffirmed)
3.	Commercial Paper	CRISIL A1+ (Reaffirmed) [ICRA] A1+

Table 21: Major 10 Shareholders as on March 31, 2021 (other than promoters)

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1	SBI Focused Equity Fund	6668863	7.3697
2	Kotak Emerging Equity Scheme	4310480	4.7635
3	HDFC Trustee Company Ltd - A/c Hdfc Mid - Cap opportunities Fund	2143410	2.3687
4	Fidelity Emerging Markets Fund	1663469	1.8383
5	Fidelity Advisor Series VIII - Fidelity Advisor Emerging Markets Fund	836900	0.9249
6	DSP Equity & Bond Fund	718784	0.7943
7	Variable Insurance Products Fund II Emerging Markets Portfolio	701707	0.7755
8	Fidelity Rutland Square Trust II : Strategic Advisers Fidelity Emerging Markets Fund As Managed By Fiam LLC	604300	0.6678
9	Vicco Products Bombay Pvt Ltd	570138	0.6301
10	ICICI Prudential Life Insurance Company Limited	564547	0.6239

7.18 Voting through electronic Means

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

The Company has entered into an arrangement with NSDL, an authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of Annual General Meeting, through such e-voting method.

E-Voting shall be open for a period of 3 days, from Saturday, August 28, 2021 (10.00 a.m. IST) and end on Monday, August 30, 2021 (5.00 p.m. IST).The Board has appointed Shri Tushar Pahade partner at M/s. Joshi Pahade & Associates, Practicing Company Secretaries as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice calling 26th Annual General Meeting and also placed on the website of the Company.

7.19 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 (FY 2012-13) of ₹ 58,272/- and Interim Dividend account (FY 2013-14) of ₹ 44,775/- to Investor Education and Protection Fund.

7.20 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 16, 2020 (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 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Table 22: Details of unclaimed dividends

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2021 (in ₹)	Last Date for claiming Unpaid Dividend
2013-14 (Final)	September 04, 2014	16,289.00	September 04,2021
2014-15 (Interim)	November 10, 2014	26,328.00	November 10 ,2021
2014-15 (Final)	September 09, 2015	39,879.00	September 09,2022
2015-2016 (First Interim)	October 29, 2015	22,572.00	October 29, 2022
2015-2016 (Second Interim)	March 04, 2016	48,997.00	March 04, 2023
2016-17 (Interim)	February 14, 2017	52,684.00	February 14, 2024
2016-17 (Final)	August 21, 2017	61,713.00	August 21, 2024
2017-18(Final)	July 31, 2018	85,548.00	July 31, 2025
2018-19 (Final)	July 31, 2019	1,01,598.00	July 31, 2026
2019-20 (Final)	September 16, 2020	78,926.00	September 16, 2027

7.21 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares upto the Interim Dividend for the Financial Year 2013-14. Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on http://www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

The Company will be transferring the Final Dividend and corresponding shares for the Financial Year 2013-14 and the Interim Dividend and corresponding shares for the Financial Year 2014-15 on or before October 04, 2021 and December 10, 2021 respectively. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. Last Date for claiming Unpaid Dividends are provided in the Report on Corporate Governance. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website at www.solargroup.com. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

8. Subsidiary Companies

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

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

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

9. Reconciliation of Share Capital Audit

As per Regulation 76 of SEBI (Depositories & Participants) Regulations, 2018, a qualified practicing Company Secretary Shri Tushar Pahade partner at M/s. Joshi Pahade and Associates, Company Secretaries, has carried out reconciliation of share capital audit of 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.

10. Fourth Layer Governance Through Management Process

10.1 Disclosure:

a. Disclosure of Related Party Transactions:

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2020-21 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

As required under Regulation 23 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Company has adopted a policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: https://reports.solargroup.com/PORP-2.pdf

b. Legal Compliance Management Tool

The "Compliance Module" called 'Legatrix' has been implemented from April 1, 2021, across the organization, which is devised to ensure compliance with all applicable laws that impact the Company's business.

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

c. 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.

d. Whistle Blower Policy/Vigil Mechanism

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

The Whistle Blower Policy is posted on the website of the Company at the link https://reports.solargroup.com/WBP.pdf

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

f. Terms of appointment of Independent Directors

Pursuant to Regulation 46 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Act, the Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website at www.solargroup.com.

g. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2021.

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

i. A certificate from Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

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

k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

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

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

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

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committee have also been set up to redress complaints received regarding sexual harassment.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Table 23: Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars Number	Number
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

m. Disclosure of Non-Compliance with Corporate Governance Requirement

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

n. Disclosure Policy

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: https://reports.solargroup.com/PODOFME.pdf

o. D&O Insurance for Directors

In line with the requirements of Regulation 24(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

p. Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company`s website at **https://reports.solargroup.com/POPOD.pdf**.

q. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

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

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

s. Compliance on Matters Related to Capital Markets

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

t. Code for Prevention of Insider Trading

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

The code is posted on the website of the Company at the link **https://reports.solargroup.com/COPAPF.pdf**

u. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 .

Sr. No.	Particulars	Regulation	Brief Description of Regulation	Compliance Status (Yes / No/ NA)
1.	Board of Directors	17 (1)	Board Composition	Yes
		17 (2)	Meeting of Board of Directors	Yes
		17 (3)	Review of Compliance Reports	Yes
		17 (4)	Plans for orderly succession for appointments	Yes as and when applicable
		17 (5)	Code of Conduct	Yes
		17 (6)	Fees / Compensation	Yes
		17 (7)	Minimum Information to be placed before Board	Yes
		17 (8)	Compliance Certificate	Yes
		17 (9)	Risk Assessment & Management	Yes
		17 (10)	Performance evaluation	Yes
2.	Audit Committee	18 (1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18 (2)	Meeting of Audit Committee	Yes
		18(3)	Role of Committee and Review of information by the Committee	Yes
3.	Nomination and Remuneration Committee	19 (1) & (2)	Composition of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of Committee	Yes
4.	Stakeholders Relationship Committee	20 (1) ,(2) &(3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of Committee	Yes
5.	Risk Management Committee	21 (1), (2)& (3)	Composition and role of risk management committee	Yes
		21(4)	Role of the Committee	Yes
6.	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7.	Related Party Transaction	23 (1), (5), (6), (7), (8) & (9)	Policy for Related Party Transactions	Yes
		23 (2) &(3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of Transaction by the Committee	Yes
		23 (4)	Approval for material related party transactions	N.A.
8.	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material subsidiary	Yes
		24 (2), (3), (4), (5) & (6)	Other corporate Governance requirements with respect to subsidiary of listed entity	Yes
9.	Obligations with respect to Independent Directors	25 (1) & (2)	Maximum Directorship & Tenure	Yes
		25 (3)	Meeting of Independent Directors	Yes
		25 (4)	Review of Performance by the Independent Directors	Yes
		25 (7)	Familiarization of Independent Directors	Yes

Sr. No.	Particulars	Regulation	Brief Description of Regulation	Compliance Status (Yes / No/ NA)
10.	Obligations with respect to Directors and Senior Management	26 (1)&(2)	Memberships in committees	Yes
		26 (3)	Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel	Yes
		26 (4)	Disclosure of shareholding by non – executive Directors	Yes
		26 (5)	Policy with respect to Obligations of Directors and Senior Management	Yes
11.	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12.	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

10.2 Discretionary Requirements under Regulation 27 of Listing Regulation

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

The Chairman of SOLAR is an Executive Director and hence this clause is not applicable.

b. Shareholders rights

As the Company's quarterly and half yearly financial results are published in the English newspaper (Business Standard) having a circulation all over India and in a Marathi newspaper (Loksatta) having a circulation in Nagpur, the same are not sent separately to the shareholders of the Company, but hosted on the website of the Company.

c. Audit Qualifications

During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

d. Reporting of Internal Auditor

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

11. CEO/ CFO Certification

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2021.The said certificate is attached in this Annual Report.

12. Auditor's Certificate on Corporate Governance

The Company obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to the Corporate Governance laid down the certificate annexed to the report on Corporate Governance Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2020-21, and will be send to the stock exchanges along with this annual report to be filled by the Company.

Declaration by Chief Executive Officer (CEO)

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

- The Board of Directors of Solar Industries India Limited has laid down a code of conduct for all the Board Members and Senior Management Personnel of the Company. The said code of conduct has also been posted on Company's website: www.solargroup.com.
- All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended on March 31, 2021.

For Solar Industries India Limited

Manish Nuwal
Managing Director &
Chief Executive Officer

Place: Nagpur
Date: May 27, 2021

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, 2021 and that to the best of our knowledge and belief, we state that:

1) i. These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2) We are, to the best of our knowledge and belief, no transactions entered into by the Company during the FY 2020-21 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

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

Place: Nagpur
Date: May 27, 2021

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, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For and on behalf of
Akshay Rathi & Associates
Chartered Accountants

Akshay Rathi
Proprietor
M.No. 161910
Firm Registration No.139703W
UDIN – 21161910AAAABV8654

Place: Nagpur
Date: May 27, 2021

To
The Members of
Solar Industries India Limited

SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We, **Joshi Pahade & Associates**, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **Solar Industries India Limited (CIN: L74999MH1995PLC085878)** having its Registered Office at "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India (the Company) as required to be maintained, under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2021.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021:

Sr. No.	Name of the Director	Designation	DIN
1.	Shri Satyanarayan Nuwal	Chairman & Executive Director	00713547
2.	Shri Manish Nuwal	Managing Director & CEO	00164388
3.	Shri Anil Kumar Jain	Executive Director	03532932
4.	Shri Suresh Menon	Executive Director	07104090
5.	Shri Dilip Patel	Non-Executive Independent Director	00013150
6.	Shri Amrendra Verma	Non-Executive Independent Director	00236108
7.	Shri Ajai Nigam	Non-Executive Independent Director	02820173
8.	Shri Sunil Srivastav	Non-Executive Independent Director	00237561
9.	Smt. Sujitha Karnad*	Additional Director	07787485
10.	Smt. Madhu Vij**	Non-Executive Independent Director	00025006

Note:-

* Smt. Sujitha Karnad is appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated December 15, 2020.

** Smt. Madhu Vij was not appointed by the members of the Company at 25th Annual General Meeting of the Company.

For and on behalf of
Joshi Pahade & Associates
Company Secretaries

Tushar Pahade
Partner
M.No. FCS 7784
CP No. 8576
UDIN- F007784C000339599

Place: Nagpur
Date: May 18, 2021

Business Responsibility Report

Our Value Building Journey:

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

Section A

General Information about the Company

Sr. No	Questions	Company Information
1.	Corporate Identity Number(CIN) of the Company	L74999MH1995PLC085878
2.	Name of the Company	Solar Industries India Limited
3.	Registered address	"Solar" House,14, Kachimet, Amravati Road, Nagpur – 440023.
4.	Website	www.solargroup.com
5.	E-mail id	brr@solargroup.com
6.	Financial Year reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Industrial Explosives and Initiating Systems (20292)
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet	• Industrial Explosives (Bulk + Large & Small Dia. Explosives) • Detonating Fuse • Electric and Non-Electric Detonators Please refer to Company's website (www.solargroup.com) for complete details of the products.
9.	Total number of locations where business activity is undertaken by the Company	i) International Locations: Solar through its subsidiaries has operations in Zambia, Nigeria, Turkey, South Africa and Ghana. ii) National Locations: Solar's domestic manufacturing units are located in the 9 states viz. Maharashtra, Chhattisgarh, Madhya Pradesh, Jharkhand, Odisha, Telangana, Tamil Nadu, Rajasthan and West Bengal.
10	Markets served by the Company	Solar's products have a national presence and several products are exported.

Section B

Financial Details of the Company

Sr. No	Questions	Company Information
1.	Paid up Capital as on March 31, 2021	90490055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
2.	Total Turnover (INR) (including other income)	₹ 1610.04 Crores
3.	Total profit after taxes (INR)	₹ 189.07 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company's total spending for the FY 2020-21 is ₹ 5.16 Crores which is 2.72 % of Profit after tax
5.	Activities in which in point 4 above has been incurred	The initiatives undertaken by the Company are in line with the eligible areas as listed under Schedule – VII of the Companies Act, 2013. Please refer CSR report annexed to the Board's Report.

Section C

Other Details

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

The Company has 7 (Seven) wholly owned Subsidiaries and 19 (Nineteen) Step down subsidiaries as on the date of report.

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

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

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

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

Section D

Br Information

i. Details of Director/Directors responsible for BR:

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

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

b) Details of the BR head:

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

Business Responsibility Policies and Guidelines:

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

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

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

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

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

Principle-wise as per National Voluntary Guidelines (NVGs)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with management of the Company and are approved by the Board.								
3.	Does the policy confirm to any national /international standards? If yes, specify?	(The policies are based on NVG, in addition to conformance to the spirit of international standards like ISO-9001:2015, ISO-14001:2015, ISO-45001: 2018 (OHSAS-18001:2007)								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes all the Policies have been approved by the Board & have been signed by the Managing Director of the Company.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

Solar 's Policies aligned with Business Responsibility Principles:

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

iii. Governance related to Business Responsibility (BR)

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

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

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

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

Section E

Principle - Wise Performance

Principle 1: Ethics, Transparency and Accountability

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

Ethics and integrity is at the very heart of the work culture at Solar. Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community.

Solar believes that since we employ societal and environmental resources, our governance processes must ensure that they are utilized in a manner that meets stakeholders' aspirations and societal expectations.

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

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

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

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

Information with reference to BRR framework:

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

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

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

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

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

    No complaints relating to ethics, bribery and corruption were received during the FY 2020-21.

Principle 2 - Product Life Cycle Sustainability

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

Our sturdy commitment to ensure acquiescence with relevant standards to preserve environment clean and safe using practices and products that are less hazardous to health and environment at the initial stage, wherein pertinent health and safety elements across designing, manufacturing, supply chain and consumption are identified and evaluated.

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

Information with reference to BRR framework:

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

    (a) Eco power: This is the new generation packaged emulsion explosives products. It is low strength small diameter cartridge emulsion suitable for soft rock strata. The benefits of 'Eco power' in the mining activities are:

    i. providence of low cast products
    ii. higher accuracy
    iii. controlled emissions of blast fumes

    (b) Eco prime: This is the new generation packaged slurry explosives products. It is low strength large diameter cap sensitive slurry explosives suitable for soft rock strata. The benefits of 'Eco prime' in the mining activities are:

    i. providence of low cast products
    ii. higher accuracy
    iii. controlled emissions of blast fumes

    (c) Solar e- det: 'Solar e- det' is an electronic detonator and used for initiating detonator sensitive explosives. The recompenses of electronic detonator over the conventional electric or non-electric detonator used in the mining industry are:

    i. improved blasting results owing to accurate delay timing
    ii. advanced precision
    iii. decrease in air blast/ground vibration
    iv. safe use in extraneous electric environments
    v. possibility of limiting the number of detonators per shot

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

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

   The power consumption per ton of emulsion explosives has been reduced 25 units which is 33 % less than last year by improvement and incorporation of common cooling processes for two of the product lines.

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

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

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

   Induction of inhouse HSD filling station has been done during the financial year ended 2020-21 which has benefited in fuel energy savings by 5 %. Industry has enhanced safety culture by reinforcing safety leadership for achieving target Zero harm to people, asset, and environment. Company has been implemented occupation health and safety management system ISO 45001:2018.

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

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

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

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

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

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

   We have policy to minimize waste and implemented mechanism to segregate explosives and non-explosives wastes from the processes. We are recycling most of the useful wastes and all others are destroyed being explosives in nature. Company is using spent nitric acid in other manufacturing process of calcium nitrate and sodium nitrate and dilutes acetic acid concentrating and reuse completely in the process. Simultaneously, some other biproducts are processed for making useful raw materials to be used in process of other products. Treated waste- water of Emulsion and HMX/RDX plants are utilised fully as process input materials in other manufacturing processes. Electronic wastes and Plastic wastes are sent to recyclers and Hazardous wastes sent to authorised landfill site.

Principle 3 - Employees' Well-Being

Businesses should promote the well-being of all employees

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

Information with reference to BRR framework:

Sr. No	Questions	Information
1	Total number of employees	2793
2	Total number of employees hired on temporary/ contractual/ casual basis	4456

Sr. No	Questions	Information
3	Total number of permanent women employees	112
4	Total number of permanent employees with disabilities	7
5	Do you have any Employees association that is recognized by the management	There is one employees association that is recognized by the management as well as Industrial Court. Solar respects the rights of employees to free Association and representation.
6	What percentage of your permanent employees is members of this recognized employee association?	Almost, all the workers are members of the recognised employee associations (unions).

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

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

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

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

The Company has been accredited ISO-45001: 2018 (OHSAS-18001:2007) & ISO-14001:2015 by DNV-GL and audits have been conducted internally by trained lead auditor as well as by external auditors of certification agency. During FY2020-21 the Company provided safety & skill up-gradation training to almost 93.52% of the concerned employees including casual employees, employees with disabilities those are exposed to hazardous manufacturing process. Employee training and development being an essential element of Solar's people strategy, Solar imparted 77479 hours of training in its workplace.

Principle 4 - Stakeholders Engagement

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

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

Information with reference to BRR framework:

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

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

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

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

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

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

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

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

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

Principle 5:- Human Rights

Businesses should respect and promote human rights

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

Information with reference to BRR framework:

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

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

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

   There have been no cases of discrimination & Human right breaches during the reporting period.

Principle 6 :- Environment

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

Information with reference to BRR framework:

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

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

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

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

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

   Yes, Company has implemented Environment Management System and accredited ISO-14000:2015. Environmental management plan has been prepared and Impact register is periodically reviewed for keeping it updated and for improving environmental performance.

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

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

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

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

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

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

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

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

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

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

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

vii. The electronic wastes are sent to authorised recyclers.

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

ix. Online continuous emission monitoring system (OCEMS) has been installed at boiler for monitoring of SPM, SO2 and NO2 gases.

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

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

The effluent parameters and emissions were maintained within the consent norms and Hazardous waste quantity disposed by the Company was within the threshold quantity of authorisation granted by Maharashtra pollution control board during the financial year 2020-21.

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

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

Principle 7:- Responsible Advocacy

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

Information with reference to BRR framework:

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

   a. SAFEX International

   b. International Society of Explosive Engineers (ISEE)

   c. Explosive Manufacturers Welfare Association (EMWA)

   d. Vidarbha Chambers of Commerce (VCC)

   e. Confederation of Indian Industry (CII)

   f. Quality Circle Forum of India (QCFI)

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

   Yes, Company has been benefited through the associations for the improvement of public good as follows:

   a) SAFEX International: International Good Practice Guide, Application of BOS in specific tasks and manufacturing, Incident reporting and learning concept of mitigating. Consequences.

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

   c) Quality Circle Forum of India (QCFI): Rural development for improving livelihood opportunities, work place management, CSR activities like supply of filtered drinking water, mobile toilets, sewing machines, play items in school, water conservation, etc.

Principle 8:- Inclusive Growth

Businesses should support inclusive growth and equitable development.

For growth to be responsible, it should go beyond numbers. It should do good to the society, create a better world. That's the kind of growth that Solar believes in, and constantly strives for. Our stated purpose is to "Make a Difference and adding Value". A firm has to work closely with its ecosystem to create a sustainable & inclusive growth for all.

Information with reference to BRR framework:

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

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

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

   1. Disaster Management (COVID Relief efforts)
   2. Education
   3. Health & Hygiene
   4. Environment Sustainability

   The details of CSR initiatives undertaken by your Company are set out in Annexure 'C' of Directors Report.

2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures / any other organization?

   Solar collaborates with Government bodies, NGOs and donating agencies to implement community initiatives in the thematic areas of Disaster Management, Health & Hygiene, Environment Sustainability, Rural Development, Animal Welfare and Education

3. Have you done any impact assessment of your initiative?

   Yes, the Company has assessed at some of its previous year's initiatives.

4. What is your Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?

   An amount of ₹ 5.16 Crores was spent towards various CSR projects during the Financial Year 2020-21 benefitting many people.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and benefits accrued to the Community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out.

Principle 9:- Customer Value

Businesses should engage with and provide value to their customers in a responsible manner.

It is the responsibility of the organisation to provide products that satisfactorily meet the customer requirements. Solar has a customer - centric approach.

Information with reference to BRR framework:

1. What percentage of customer complaints/ consumer cases is pending as on the end of Financial Year?

   Company received 48 customer complaints during the year which were resolved as at the end of the Financial Year. None is pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)

   Yes, Solar adheres to all compliance of product information and product labeling.

   All the product information is available at the Company's Website www.solargroup.com

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so.

   There are no cases filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior. There is one case pending in Supreme Court on Bid rigging filed by the commission against the order of the Appellate commission. This pertains to the Case filed by Coal India Ltd on 10 manufacturers for bid rigging during the year 2010-11.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   Customer Satisfaction feedback is important to Solar as it ensures that its overall reputation and brand promise is safeguarded in the geographies it operates in. The Company does not carry out any consumer survey .However, consumer satisfaction trends is analyzed through a feedback system.

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of **Solar Industries India Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.2 (j) of the standalone financial statements)	
Revenue from sale of goods is recognized as outlined in note 18 of the standalone financial statements. The Company estimates provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customers' site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales for the period. As at March 31, 2021, the Company is carrying a powder factor provision of Rs. 12.75 crore. This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.	Our audit procedures included, among others the following: • Evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers) • Assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision. • Read the agreement with customers for validating terms relating to powder factor. • Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. • We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision.

Key audit matters	How our audit addressed the key audit matter
	• Evaluated the historical trend against the actual powder factor deduction. • Assessed and reviewed the disclosures made by the Company in the standalone financial statements.
Carrying value of trade receivables *(as described in note 2.2 (i) (4) of the standalone financial statements)*	
As at March 31, 2021, trade receivables constitutes approximately 15% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. This is a key audit matter as significant judgement is involved to establish the provision matrix.	Our audit procedures included, among others the following: • Evaluated the Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 - Financial Instruments. • Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss. • Evaluated management's assumption and judgment relating to various parameters which included the historical default rates and business environment in which the entity operates for estimating the amount of such provision. • Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. • Assessed and reviewed the disclosures made by the Company in the standalone financial statements.
Receivables under Package Scheme of Incentives 2007 (PSI) *(as described in note 2.2 (x) of the standalone financial statements)*	
The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra. Total outstanding receivable of PSI incentive relating to above as at March 31, 2021 is Rs. 113.26 crore. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amounts.	Our audit procedures included, among others the following: • Read the PSI scheme and evaluated the eligibility of the Company to claim incentives. • Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Company's eligibility of PSI incentive. • Evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed. • Read the correspondences with the government department relating to incentive claims filed by the Company. • Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 to the standalone financial statements;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910
UDIN : 21161910AAAABW5424

Place: Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497
UDIN: 21105497AAAAAZ3359

Place: Mumbai
Date: May 27, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Solar Industries India Limted

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds / lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for land of Rs. 10.36 crore pertaining to protected forest land located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Act apply and hence not commented upon. The Company has made investments / given loans / guarantees which are in compliance to the provision of Section 186 of the Act.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of industrial explosives and explosive initiating devices, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income- tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and provident fund on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	3.37	0.20	2000-2008	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	1.16	-	2007-2009	Commissionerate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.68	0.03	2015-2017	Commissionerate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.10	0.09	2011-2016	High Court
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.42	0.04	2008-2009	Tribunal
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	27.95	1.95	2012-2017	Tribunal

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.86	0.03	2013-2017	Commissionerate
State Sales Tax Act	Demand of VAT	0.43	0.07	2013-2016	High Court
Employee Provident Fund	Demand Provident Contribution	0.15	0.15	2015-2017	Appellate Authority
Goods and Service Tax Act, 2017	Demand of transitional credit (Including penalty)	0.01	-	2017-2018	Joint/Additional Commissioner of GST and Central Tax
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	1.70	0.11	2017 - 2018	Appellate Authority

viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any loans or borrowings from any government or debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments, but has raised money by way of term loans which was applied for the purpose for which it was raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any noncash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910
UDIN : 21161910AAAABW5424

Place: Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497
UDIN: 21105497AAAAAZ3359

Place: Mumbai
Date: May 27, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Solar Industries India Limted

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

We have audited the internal financial controls with reference to standalone financial statements of Solar Industries India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910
UDIN : 21161910AAAABW5424

Place: Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497
UDIN: 21105497AAAAAZ3359

Place: Mumbai
Date: May 27, 2021

Balance Sheet as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	550.73	539.68
Capital work in progress	3A	127.40	30.43
Intangible assets	3B	4.87	3.69
Intangible assets under development	3B	2.29	1.91
Right-of-use assets	3C	2.16	1.43
Financial assets			
Investments	4	128.53	129.85
Loans	5	103.88	122.36
Other financial assets	6	58.30	16.68
Current tax assets (net)		13.08	13.28
Other non-current assets	9	13.47	28.00
Total non-current assets		**1,004.71**	**887.31**
Current assets			
Inventories	10	142.75	100.28
Financial assets			
Investments	4	-	0.02
Trade receivables	7	294.80	205.96
Cash and cash equivalents	8	45.35	62.86
Bank balances other than cash and cash equivalents	8	2.28	2.12
Loans	5	32.02	25.64
Other financial assets	6	52.33	75.63
Other current assets	9	26.21	24.64
Total current assets		**595.74**	**497.15**
Total assets		**1,600.45**	**1,384.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	1,138.71	1,003.28
Total equity		**1,156.81**	**1,021.38**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	74.65	63.45
Other financial liabilities	3C	0.67	0.35
Deferred tax liabilities (net)	14	71.98	72.24
Total non-current liabilities		**147.30**	**136.04**
Current liabilities			
Financial liabilities			
Borrowings	13	20.00	38.74
Trade payables	15		
a) total outstanding dues to micro enterprises and small enterprises		5.21	4.30
b) total outstanding dues to creditors other than micro enterprises and small enterprises		182.21	102.03
Other financial liabilities	16	70.32	63.34
Other current liabilities	17	14.90	15.18
Provisions	17A	3.70	3.45
Total current liabilities		**296.34**	**227.04**
Total liabilities		**443.64**	**363.08**
Total equity and liabilities		**1,600.45**	**1,384.46**
Summary of significant accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	18	1,584.40	1,511.54
Other income	19	25.64	35.35
Total income		**1,610.04**	**1,546.89**
Expenses			
Cost of materials consumed	20	918.71	872.12
Purchases of stock-in-trade		122.16	102.27
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(17.47)	(13.95)
Employee benefit expense	22	95.98	94.10
Finance costs	23	6.52	12.17
Depreciation and amortisation expense	24	37.98	33.96
Other expenses	25	192.94	193.78
Total expenses		**1,356.82**	**1,294.45**
Profit before tax		**253.22**	**252.44**
Tax expense :			
- Current tax		65.82	57.59
- Adjustment of tax relating to earlier periods		(1.19)	-
- Deferred tax		(0.48)	(18.55)
Total tax expense	14	**64.15**	**39.04**
Profit for the year		**189.07**	**213.40**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on defined benefit plans		0.35	(0.59)
Income tax effect		(0.09)	0.15
		0.26	**(0.44)**
Items that will be reclassified to profit or loss			
Net movement on Cash Flow Hedge Reserve		0.52	(0.28)
Income tax effect		(0.13)	0.07
		0.39	**(0.21)**
Total Other comprehensive income/ (loss) for the year, net of tax		**0.65**	**(0.65)**
Total comprehensive income for the year		**189.72**	**212.75**
Earnings per equity share			
Basic and Diluted earnings per share	26	20.89	23.58
Summary of significant accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Statement of Cash Flows for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	253.22	252.44
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	37.98	33.96
(Profit) / Loss on Sale / Discard of property, plant and equipment (net)	0.03	(0.41)
Net loss on financial assets measured at fair value through profit and loss	0.81	0.26
Profit on sale of financial assets carried at fair value through profit and loss	(0.58)	(0.94)
Dividend and interest income	(16.19)	(16.85)
Excess provision of Interest on Income Tax written back	-	(1.08)
Finance costs	6.52	12.17
Impairment loss on trade receivable	16.32	5.42
Impairment of Inventory	0.16	-
Bad debts written off	0.24	0.04
Loans and advances written off	0.03	0.04
Effect of Exchange Rate Change	(4.26)	(7.09)
Operating profit before working capital changes	**294.28**	**277.96**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(99.47)	(26.66)
(Increase)/Decrease in inventories	(42.63)	(6.71)
Increase/(Decrease) in trade payables	80.94	19.51
(Increase)/ Decrease in other assets	(22.27)	(3.32)
Increase/(Decrease) in other liabilities	1.35	(0.37)
Cash generated from operations	**212.20**	**260.41**
Less : Income taxes paid	64.43	65.48
Net cash flows from operating activities	**147.77**	**194.93**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(127.21)	(74.10)
Proceeds from sale of property, plant and equipment	0.61	0.99
Loan given to related parties	(714.78)	(715.19)
Loan recovered from related parties	722.83	727.86
Loans and deposits (given)/recovered from others	1.20	(3.03)
Proceeds from (Purchase)/ sale of non-current investments	1.04	-
Proceeds from (Purchase)/ sale of current investments	0.06	30.96
(Investment)/Redemption in fixed deposits	(0.16)	5.25
Dividend and interest income received	17.08	17.33
Net cash flows used in investing activities	**(99.33)**	**(9.93)**
Cash flows from financing activities		
Proceeds from non-current borrowings	47.11	81.23
Repayment of non-current borrowings	(30.92)	(124.64)
Proceeds from / (Repayment of) current borrowings	(18.74)	(6.48)
Payment of principal portion of lease liabilities	(0.37)	(0.22)
Interest paid	(8.74)	(15.61)
Dividend Paid (including dividend distribution tax)	(54.29)	(76.36)
Net cash flows used in financing activities	**(65.95)**	**(142.08)**
Net increase / (decrease) in cash and cash equivalents	(17.51)	42.92
Add:-Cash and cash equivalents at the beginning of the year	62.86	19.94
Cash and cash equivalents at end of the year (refer note 8)	**45.35**	**62.86**

Statement of Cash Flows for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2020	Cash flows	Foreign exchange impact	March 31, 2021
Current borrowings	38.74	(18.74)	-	20.00
Non-current borrowings	90.36	16.19	(1.15)	105.40
Total liabilities from financing activities	**129.10**	**(2.55)**	**(1.15)**	**125.40**

Particulars	March 31, 2019	Cash flows	Foreign exchange impact	March 31, 2020
Current borrowings	45.22	(6.48)	-	38.74
Non-current borrowings	126.09	(43.41)	7.68	90.36
Total liabilities from financing activities	**171.31**	**(49.89)**	**7.68**	**129.10**

Summary of significant accounting policies (refer note 2.2 and 2.3)

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Statement of Changes in Equity for the year ended Mar 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
As at April 1, 2019 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2020 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2021 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**

B. Other equity

	Reserves and surplus				OCI	Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)	Cash flow hedge reserve (Note 11A)	
Balance as at April 1, 2019	**149.13**	**362.14**	**4.29**	**351.61**	**(0.22)**	**866.95**
Profit for the year	-	213.40	-	-	-	213.40
Effect of adoption of Ind AS 116 Leases (refer note 2.3)	-	(0.06)	-	-	-	(0.06)
Transfer from retained earnings	-	-	-	75.00	-	75.00
Transfer to General reserve	-	(75.00)	-	-	-	(75.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	(0.21)	(0.21)
Remeasurement loss on defined benefit plans (net of tax)	-	(0.44)	-	-	-	(0.44)
Transactions with owners :						
Dividend paid	-	(63.34)	-	-	-	(63.34)
Dividend distribution tax paid	-	(13.02)	-	-	-	(13.02)
Balance as at March 31, 2020	**149.13**	**423.68**	**4.29**	**426.61**	**(0.43)**	**1,003.28**
Balance as at April 1, 2020	**149.13**	**423.68**	**4.29**	**426.61**	**(0.43)**	**1,003.28**
Profit for the year	-	189.07	-	-	-	189.07
Transfer from retained earnings				75.00		75.00
Transfer to General reserve	-	(75.00)	-	-	-	(75.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	0.39	0.39
Remeasurement loss on defined benefit plans (net of tax)	-	0.26	-	-	-	0.26
Transactions with owners:						
Dividend paid	-	(54.29)	-	-	-	(54.29)
Balance as at March 31, 2021	**149.13**	**483.72**	**4.29**	**501.61**	**(0.04)**	**1,138.71**

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Place : Mumbai
Date: May 27, 2021

Place : Nagpur
Date: May 27, 2021

Notes to Standalone Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 1. Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2. Basis of preparation and Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2 Summary of significant accounting policies

a. Use of estimates

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

b. Property, Plant and Equipment

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

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

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

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

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

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

c. Intangible assets

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Product related intangibles is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

d. Depreciation and amortization

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

Assets	Company's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 25	15 to 20
Electrical installations and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Assets	Company's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Furniture and Fixtures	8 to 10	10
Vehicles (including Pump Trucks)	8 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Company's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology, Technical know-how)	5-10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost, less impairment loss (if any) as per Ind AS 27. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

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

Measurement

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

A. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

B. Equity instruments

The Company measures its equity investment other than in subsidiaries and associates at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities

Classification

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

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortized cost

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Measurement

A. Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

3. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

4. Impairment of financial assets

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

For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-120 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

- Volume rebates and discounts

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

- Powder Factor

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

2. Significant financing component

In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

b. Sale of projects:

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

c. Interest Income:

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

d. Dividend:

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.2 (i) (1) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy/ Reimbursement of Provident Fund has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies Transactions and Translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), which is also its functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

m. Inventories

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

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

(i) **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under the Company Gratuity Scheme. The cost of providing benefit under the gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

(iii) Leave encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Re-measurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expenses

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

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

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

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

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

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

<u>Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(ii) Segment accounting policies

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the Company has disclosed segment information only on basis of the consolidated financial statements which are presented together along with the standalone financial statements.

q. Earnings per share (EPS)

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

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

r. Provisions

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

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

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

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

u. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

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

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 (PSI)

The Company is eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per State Goods and Service Tax, 2017 (SGST), and reimbursement of 75% of the provident fund paid by the Company up to March 31, 2020. The eligibility of the benefits are subject to the Company confirming terms and conditions mentioned in the eligibility certificate. The Company uses judgement to establish the recoverability and the timings of the receipts.

Estimation Uncertainty due to Global Health Pandemic on COVID-19

Refer Note 37 of the Standalone Financial Statements.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

2.3 Changes in accounting policies and disclosures

Effective during the year:

Amendment to the Existing Standards

Application of the following amendments did not have any significant impact on the standalone financial statements of the Company:

(i) Ind AS 103 – Business Combinations

(ii) Ind AS 107 – Financial Instruments: Disclosures

(iii) Ind AS 109 – Financial Instruments

(iv) Ind AS 116 – Leases

The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

Note 3A. Property, Plant and Equipment

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2020							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2019[1]	64.64	184.47	8.79	259.47	24.51	9.06	550.94
Additions	17.33	31.47	1.42	51.42	1.32	1.85	104.81
Disposals	-	(0.21)	-	-	(0.04)	(0.02)	(0.27)
Closing Gross Carrying Amount as at March 31, 2020	**81.97**	**215.73**	**10.21**	**310.89**	**25.79**	**10.89**	**655.48**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2019[1]	-	19.89	1.85	53.29	4.87	2.92	82.82
Depreciation charge for the year	-	7.11	0.88	20.86	2.75	1.60	33.20
Disposals*	-	(0.18)	-	-	(0.04)	(0.00)	(0.22)
Closing Accumulated Depreciation as at March 31, 2020	**-**	**26.82**	**2.73**	**74.15**	**7.58**	**4.52**	**115.80**
Net Carrying Amount as at March 31, 2020	**81.97**	**188.91**	**7.48**	**236.74**	**18.21**	**6.37**	**539.68**
Period Ended March 31, 2021							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2020	**81.97**	**215.73**	**10.21**	**310.89**	**25.79**	**10.89**	**655.48**
Additions	0.01	24.42	1.33	17.45	3.45	1.54	48.20
Disposals	-	-	-	(1.87)	(0.73)	-	(2.60)
Closing Gross Carrying Amount as at March 31, 2021	**81.98**	**240.15**	**11.54**	**326.47**	**28.51**	**12.43**	**701.08**
Opening accumulated depreciation as at April 1, 2020	-	26.82	2.73	74.15	7.58	4.52	115.80
Depreciation charge for the year	-	8.16	0.99	22.90	2.65	1.82	36.52
Disposals	-	-	-	(1.28)	(0.69)	-	(1.97)
Closing Accumulated Depreciation as at March 31, 2021	**-**	**34.98**	**3.72**	**95.77**	**9.54**	**6.34**	**150.35**
Net Carrying Amount as at March 31, 2021	**81.98**	**205.17**	**7.82**	**230.70**	**18.97**	**6.09**	**550.73**
Capital Work-in-Progress as at March 31, 2021							127.40
Capital Work-in-Progress as at March 31, 2020							30.43

*Amount is less than ₹ 0.01

[1]Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (refer note 13A).

The amount of borrowing costs capitalised during the year ended March 31, 2021 was ₹ 3.89 (March 31, 2020: ₹ 1.38). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 7.64 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset (refer note 23).

Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur pertaining to protected forest land

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B. Intangible assets

	Software & License	Others[2]	Total
Year ended March 31, 2020			
Gross carrying amount			
Opening gross carrying amount April 1, 2019[1]	**2.63**	**0.29**	**2.92**
Additions	0.59	1.52	2.11
Gross carrying amount as at March 31, 2020	**3.22**	**1.81**	**5.03**
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2019[1]	**0.77**	**0.05**	**0.82**
Amortisation for the year	0.42	0.10	0.52
Accumulated amortisation as at March 31, 2020	**1.19**	**0.15**	**1.34**
Net carrying amount as at March 31, 2020	**2.03**	**1.66**	**3.69**
Period ended March 31, 2021			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2020	**3.22**	**1.81**	**5.03**
Additions	2.19	-	2.19
Gross carrying amount as at March 31, 2021	**5.41**	**1.81**	**7.22**
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2020	**1.19**	**0.15**	**1.34**
Amortization for the year	0.73	0.28	1.01
Accumulated amortisation as at March 31, 2021	**1.92**	**0.43**	**2.35**
Net carrying amount as at March 31, 2021	**3.49**	**1.38**	**4.87**
Intangible assets under development as at March 31, 2021			**2.29**
Intangible assets under development as at March 31, 2020			1.91

[1] Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

[2] Others represents Cast Booster Technical know-how for limited period of 5 Years and Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for India Armed Forces for limited period of 10 years.

Note 3C. Leases

Company as Lessee

The Company has lease contracts for Office buildings and Leasehold land. Leases of office building generally have lease terms between 2 and 10 years, while leasehold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Buildings	Leasehold land	Total
Year Ended March 31, 2020			
As at April 1, 2019	**0.63**	**1.04**	**1.67**
Additions	-	-	-
Termination	-	-	-
Depreciation	(0.20)	(0.04)	(0.24)
As at March 31, 2020	**0.43**	**1.00**	**1.43**
Year Ended March 31, 2021			
As at April 1, 2020	**0.43**	**1.00**	**1.43**
Additions	1.18	-	1.18
Termination*	(0.00)	-	(0.00)
Depreciation	(0.41)	(0.04)	(0.45)
As at March 31, 2021	**1.20**	**0.96**	**2.16**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C. Leases (Contd..)

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Mar 31, 2021	Mar 31, 2020
As at April 1, 2020	**0.47**	**0.69**
Additions	1.18	-
Termination*	(0.00)	-
Accretion of interest	0.08	0.03
Payments	(0.46)	(0.25)
As at March 31, 2021	**1.27**	**0.47**
Current (refer Note 16)	0.60	0.12
Non-current	0.67	0.35

The maturity analysis of lease liabilities are disclosed in Note 32

The effective interest rate for lease liabilities is 8.50 %, with maturity between 2020-2099

*Amount is less than ₹ 0.01

The following are the amounts recognised in profit or loss:

	Mar 31, 2021	Mar 31, 2020
Depreciation expense of right-of-use assets	0.45	0.24
Interest expense on lease liabilities	0.08	0.03
Expense relating to short-term leases (included in other expenses)	0.58	1.02
Total amount recognised in profit or loss	**1.11**	**1.29**

The Company had total cash outflows for leases of ₹ 1.04 Crores in March 31, 2021 (₹ 1.27 in March 31, 2020).

Note 4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Economic Explosives Limited	₹ 10	48,00,000	48,00,000	14.50	14.50
Blastec India Private Limited	₹ 100	9,90,000	9,90,000	5.41	5.41
Emul Tek Private Limited	₹ 10	49,77,700	49,77,700	0.80	0.80
Solar Defence Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Avionics Limited	₹ 10	50,000	-	0.05	-
Solar Overseas Mauritius Limited	$ 100	1,80,000	1,80,000	106.79	106.79
				127.65	**127.60**
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Private Limited	₹ 10	4,90,000	4,90,000	0.49	0.49
Solar Bhatgaon Extension Mines Private Limited	₹ 10	4,90,000	4,90,000	0.49	0.49
Provision for impairment				(0.98)	(0.98)
				-	**-**
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.11	0.11
				0.11	**0.11**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments (Contd..)

	Face value	Number of Shares/Units		Amount	
		Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.77	2.14
				0.77	**2.14**
Aggregate amount of unquoted investments				**128.53**	**129.85**
Aggregate amount of impairment in value of investments				(0.98)	(0.98)

Current investments

	Face value	Number of Shares/Units		Amount	
		Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Quoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
IDFC Limited	₹ 10	-	10,900	-	0.02
Edserv Soft System Ltd.	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision	₹ 1	5,000	5,000	-	-
				-	**0.02**
Aggregate amount of quoted investments and market value thereof (refer note 32)				**-**	**0.02**

Note 5. Loans

	Mar 31, 2021		Mar 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (refer note 29C)	31.73	99.82	24.00	118.44
Loan to Others	-	-	1.00	-
Security deposits	0.29	4.06	0.64	3.92
	32.02	**103.88**	**25.64**	**122.36**

Notes:

1. Loans are non derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

2. No Loans receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

   Loans to private companies in which the Company's director is a director

	Mar 31, 2021		Mar 31, 2020	
	Current	Non-current	Current	Non-current
Emul Tek Private Limited	2.73	-	2.88	-
	2.73	**-**	**2.88**	**-**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 5. Loans (Contd..)

3. Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable on demand and carry an interest at the rate of 9% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable on demand but the management does not intend to recover the same in next year, these loans carry an interest at the rate of 9% per annum.

4. Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party. The said loans carries an interest at the rate of 9% per annum.

Note 6. Other financial assets

	Mar 31, 2021		Mar 31, 2020	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit and loss				
Fair valuation of derivative contracts (refer note 31)	0.53	-	2.05	-
	0.53	**-**	**2.05**	**-**
Others				
State Government Incentive Receivables	47.50	58.30	68.81	16.68
Interest accrued from related party (refer note 29C)	3.49	-	4.58	-
Interest accrued from Others	0.08	-	0.09	-
Interest accrued but not due on Fixed Deposits	0.08	-	0.10	-
Others	0.65	-	-	-
	51.80	**58.30**	**73.58**	**16.68**
	52.33	**58.30**	**75.63**	**16.68**

Note:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange option/forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

Note 7. Trade receivables

	Mar 31, 2021	Mar 31, 2020
Trade receivables	174.13	121.65
Receivables from related parties (refer note 29C)	150.44	97.76
Less: Impairment allowance	(29.77)	(13.45)
Total Trade receivables	**294.80**	**205.96**

Break-up of security details

	Mar 31, 2021	Mar 31, 2020
Secured, considered good	4.47	9.89
Unsecured, considered good	293.49	208.70
Trade Receivables - credit impaired	26.61	0.82
	324.57	**219.41**
Impairment allowance		
Unsecured, considered good	(3.16)	(12.63)
Trade Receivables - credit impaired	(26.61)	(0.82)
	(29.77)	**(13.45)**
	294.80	**205.96**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables (Contd..)

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	Mar 31, 2021	Mar 31, 2020
As at April 1, 2020	13.45	8.03
Provision during the year	16.32	5.42
As at March 31, 2021	**29.77**	**13.45**

Note 8. Cash and Bank balances

	Mar 31, 2021	Mar 31, 2020
Cash and cash equivalents		
Balances with banks		
In current accounts	45.19	1.04
Cheques on hand^	-	0.00
Funds in transit#	-	61.69
Cash in hand	0.16	0.13
	45.35	**62.86**
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.23	2.06
Earmarked balances with banks*	0.05	0.06
	2.28	**2.12**

*The Company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by subsidiary company credited in the bank account subsequently

^Amount is less than ₹ 0.01 as at March 31, 2020

Note 9. Other assets

	Mar 31, 2021		Mar 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	5.94	-	20.77
Prepayments	4.73	-	2.49	-
Advances to suppliers for goods and services	11.64	-	5.73	-
Advances to staff	0.28	-	0.37	-
Balances with revenue authorities	9.56	7.53	16.05	7.23
	26.21	**13.47**	**24.64**	**28.00**

Note 10. Inventories

	Mar 31, 2021	Mar 31, 2020
Raw materials and packing materials (includes in transit of ₹ 29.04 (Previous year : ₹ 4.26))	79.75	52.37
Work-in-progress	18.49	14.15
Finished goods	30.62	16.98
Stock-in-trade (Includes stock in transit of ₹ 1.83 (Previous year : ₹ 2.36))	2.31	2.82
Stores and spares	10.80	12.73
Project inventory in progress	0.78	1.23
	142.75	**100.28**

During the year ended March 31, 2021 ₹ 0.16 Crores (March 31, 2020: ₹ Nil) was recognised as an expense on account of impairment of inventory.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital

	Number of Shares		Amount	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Authorised equity share capital				
(face value 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2019	**9,04,90,055**	**18.10**
As at March 31, 2020	9,04,90,055	18.10
As at March 31, 2021	**9,04,90,055**	**18.10**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

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

Name of the shareholder	% holding		Number of shares	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Shri Manish Nuwal	27.88%	27.88%	2,52,32,069	2,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
Shri Satyanarayan Nuwal	14.63%	14.63%	1,32,38,254	1,32,38,254
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
SBI Equity Hybrid Fund	0.00%	5.94%	-	53,75,788
SBI Focused Equity Fund	7.37%	0.00%	66,68,863	-

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

Note 11A. Other equity

Securities premium[1]	
As at April 1, 2019	**149.13**
Movement for the year 2019-20	-
As at March 31, 2020	**149.13**
Movement for the year 2020-21	-
As at March 31, 2021	**149.13**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

Retained earnings[5]	
As at April 1, 2019	**362.14**
Add : Profit for the year	213.40
Less : Effect of adoption of Ind AS 116 Leases	(0.06)
Less :Transfer to General Reserve	(75.00)
Less : Final Dividend of FY 2018-19	(63.34)
Less : Dividend Distribution Tax (DDT) on Final Dividend	(13.02)
Less: Remeasurement loss on defined benefit plans	(0.44)
As at March 31, 2020	**423.68**
Add : Profit for the year	189.07
Less :Transfer to General Reserve	(75.00)
Less : Final Dividend of FY 2019-20	(54.29)
Add : Remeasurement loss on defined benefit plans	0.26
As at March 31, 2021	**483.72**

Capital reserve[2]	
As at April 1, 2019	**4.29**
Movement for the year 2019-20	-
As at March 31, 2020	**4.29**
Movement for the year 2020-21	-
As at March 31, 2021	**4.29**

General reserve[3]	
As at April 1, 2019	**351.61**
Add : Transfer from retained earnings	75.00
As at March 31, 2020	**426.61**
Add : Transfer from retained earnings	75.00
As at March 31, 2021	**501.61**

Cash flow hedge reserve[4]	
As at April 1, 2019	**(0.22)**
Movement for the year 2019-20	(0.21)
As at March 31, 2020	**(0.43)**
Movement for the year 2020-21	0.39
As at March 31, 2021	**(0.04)**

Total other equity	
As at April 1, 2019	**866.95**
Movement for the year 2019-20	136.33
As at March 31, 2020	**1,003.28**
Movement for the year 2020-21	135.43
As at March 31, 2021	**1,138.71**

Nature and purpose of reserves

1. Securities premium

Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

2. Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

3. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

4. Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

5. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend.

Note 11B. Distribution made and proposed

	Mar 31, 2021	Mar 31, 2020
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2020: ₹ 6 per share (March 31, 2019 ₹ 7 per share)	54.29	63.34
DDT on final dividend	-	13.02
	54.29	**76.36**
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31,2021: ₹ 6 per share (March 31, 2020: ₹ 6 per share)	54.29	54.29
	54.29	**54.29**

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

"With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient."

Note 12. Non-current Borrowings

	Mar 31, 2021	Mar 31, 2020
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	13.00	40.36
Indian Rupee term loan	92.40	50.00
Interest accrued but not due	0.56	0.36
	105.96	**90.72**
Less: Amount shown under "Other current financial liabilities" (refer note 16)		
Current maturities of long-term debt	(30.75)	(26.91)
Interest accrued but not due on non-current borrowings	(0.56)	(0.36)
	74.65	**63.45**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 13. Current Borrowings

	Mar 31, 2021	Mar 31, 2020
Secured - at Amortised cost		
From banks		
Indian Rupee working capital loan from Bank	-	23.74
Interest accrued but not due	0.04	0.09
Unsecured at Amortised cost		
From banks		
Indian Rupee working capital loan	20.00	15.00
	20.04	**38.83**
Less: Amount shown under "Other current financial liabilities" (refer note 16)		
Interest accrued but not due on current borrowings	(0.04)	(0.09)
	20.00	**38.74**

Note 13A. Maturity profile

Maturity profile of Non current Borrowing

	Maturity date	Terms of repayment	Mar 31, 2021	Mar 31, 2020
Secured				
Foreign currency term loan from Bank*	August 31, 2021	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	13.00	40.36
Rupee Term Loan from Bank#	September 13, 2024	Repayable in twelve quarterly instalment starting after moratorium period of 24 months	50.00	50.00
Rupee Term Loan from Bank^	August 31, 2025	Repayable in twenty quarterly instalment	42.40	-
			105.40	**90.36**

*The above foreign currency term loan from Banks carries an interest rate of LIBOR+ 212 bps.

#The Indian rupee long term loan from bank carries an interest rate of 1 yr MCLR.

^The Indian rupee long term loan from bank is linked to Repo rate with a spread of 300 bps.

Maturity profile of Current Borrowing

	Maturity date	Terms of repayment	Mar 31, 2021	Mar 31, 2020
Secured				
Indian Rupee working capital loan from Bank	April 9, 2020	Single repayment at the end of the term	-	8.33
Indian Rupee working capital loan from Bank	April 9, 2020	Single repayment at the end of the term	-	5.00
Indian Rupee working capital loan from Bank	April 13, 2020	Single repayment at the end of the term	-	5.00
Cash Credits from Bank	On Demand	Single repayment at the end of the term	-	2.98
Cash Credits from Bank	On Demand	Single repayment at the end of the term	-	2.43
Unsecured				
Indian Rupee working capital loan from Bank	April 17, 2020	Single repayment at the end of the term	-	15.00
Indian Rupee working capital loan from Bank	April 20, 2021	Single repayment at the end of the term	20.00	-
			20.00	**38.74**

The Indian rupee working capital loan from Bank carries interest rate of 4.25% to 8.75%.

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipments, both present and future, and second pari passu charge on the Company's current assets, both present and future. Working capital loans have first Pari Passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's entire property, plant and equipments, both present and future.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 13A. Maturity profile (Contd..)

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio, debt service coverage ratio (DSCR), gearing ratio and fixed asset coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans.

The Company has not defaulted on any loans payable.

Note 14. Tax expenses

The major components of tax expense for the year ended March 31, 2021 and March 31, 2020 are :

Statement of profit and loss:

Profit and loss section

	Mar 31, 2021	Mar 31, 2020
Current income tax:		
Current income tax charge	65.82	57.59
Adjustment of tax relating to earlier periods	(1.19)	-
Deferred tax:		
Relating to Change in tax rate*	-	(25.46)
Relating to origination and reversal of temporary differences	(0.48)	6.91
Tax expense reported in the statement of profit and loss	**64.15**	**39.04**

OCI section

Deferred tax related to items recognised in OCI during the year :

	Mar 31, 2021	Mar 31, 2020
Net (loss)/ gain on Cash flow hedges	0.13	(0.07)
Net (loss)/ gain on remeasurements of defined benefit plans	0.09	(0.15)
Income tax charged to OCI	**0.22**	**(0.22)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020 :

	Mar 31, 2021	Mar 31, 2020
Accounting profit before tax	253.22	252.44
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	63.73	63.53
Effect of :		
Research & Development expenditure	-	(0.18)
Corporate Social Responsibility expenditure	1.30	1.21
Donation	0.34	0.19
Leases	0.24	-
Difference of DTL due to change in tax rate*	-	(25.46)
Tax in respect of earlier years	(1.19)	-
Others	(0.27)	(0.25)
Total income tax expense	**64.15**	**39.04**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax expenses (Contd..)

Deferred tax

Deferred tax relates to the following:

Balance sheet

	Mar 31, 2021	Mar 31, 2020
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	82.48	77.12
Financial assets at fair value through profit or loss	(0.11)	(0.05)
Derivative Instruments at fair value through profit or loss	0.11	0.36
Gratuity	0.09	0.00
Provision for investments in associates	-	(0.25)
Provision for discounting of Non current assets	(2.39)	(0.69)
Provision towards trade receivables	(7.49)	(3.38)
Leases	0.22	-
Employee benefits	(0.93)	(0.87)
Net deferred tax (assets)/ liabilities	**71.98**	**72.24**

Statement of profit and loss

	Mar 31, 2021	Mar 31, 2020
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	5.36	(19.95)
Provision towards trade receivables	(4.11)	(0.58)
Provision for investments in associates	0.25	0.09
Provision for discounting of Non current assets	(1.70)	(0.69)
Employee benefits	0.03	0.34
Financial assets at fair value through profit or loss	(0.06)	(0.05)
Derivative Instruments at fair value through profit or loss	(0.25)	2.07
Leases	0.22	-
Remeasurement of defined benefit plans	(0.09)	0.15
Revaluation of cash flow hedges	(0.13)	0.07
Deferred tax expense/(income)	**(0.48)**	**(18.55)**

Reconciliation of Deferred tax liabilities (net):

	Mar 31, 2021	Mar 31, 2020
Opening balance	72.24	91.00
Tax (income)/expense during the period recognised in profit or loss	(0.48)	(18.55)
Tax (income)/expense during the period recognised in OCI	0.22	(0.21)
Closing balance	**71.98**	**72.24**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2021 and March 31, 2020, the Company has paid dividend to its shareholders. For the year ended March 31, 2020 this has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

*The Company has adopted the option of lower tax rate as provided in the Taxation Law Amendment Ordinance, 2019 and consequent impacts on tax expense have been considered for the year ended March 31, 2020.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 15. Trade payables

	Mar 31, 2021	Mar 31, 2020
Current		
Trade payables*		
a) total outstanding dues to micro enterprises and small enterprises (refer note 36)	5.21	4.30
b) total outstanding dues to creditors other than micro enterprises and small enterprises	127.16	93.04
Acceptances#	55.05	8.99
Total Trade payables	**187.42**	**106.33**

Break up of trade payables

	Mar 31, 2021	Mar 31, 2020
Trade Payables other than related parties (including acceptances)	176.71	95.10
Trade payables to related parties (refer note 29C)	10.71	11.23
	187.42	**106.33**

Payables to private companies in which the Company's directors is a director

	Mar 31, 2021	Mar 31, 2020
Payables to related parties (refer note 29C)		
Emul Tek Private Limited	-	0.18
	-	**0.18**

*Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.

For trade payables due to Micro and Small enterprises development, refer note 36

For terms and conditions with related parties, refer note 29B

For explanations on the Company's credit risk management processes, refer note 32

#Acceptances represents credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within six months to one year.

Note 16. Other current financial liabilities

	Mar 31, 2021	Mar 31, 2020
Derivative Instruments at fair value through OCI		
Fair valuation of derivative contracts (refer note 31)	0.10	0.62
	0.10	**0.62**
Other financial liabilities at amortised cost		
Current maturities of long term debt (refer note 12)	30.75	26.91
Interest accrued on non-current borrowings (refer note 12)	0.56	0.36
Interest accrued on current borrowings (refer note 13)	0.04	0.09
	31.35	**27.36**
Others		
Capital creditors	8.82	6.81
Capital creditors - Related Party (refer Note 29C)	-	0.36
Employees related payable (including labour related)	15.82	12.00
Lease Liability (refer Note 3C)	0.60	0.12
Liability towards trade discounts	13.58	16.01
Unclaimed dividend	0.05	0.06
	38.87	**35.36**
	70.32	**63.34**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 16. Other current financial liabilities (Contd..)

Payables to private companies in which the Company's directors is a director

	Mar 31, 2021	Mar 31, 2020
Payables to related parties (refer note 29C)		
Emul Tek Private Limited	-	0.36
	-	**0.36**

Note 17. Other current liabilities

	Mar 31, 2021	Mar 31, 2020
Statutory dues	2.73	2.03
Contract Liabilities	12.17	13.15
	14.90	**15.18**

Note 17A. Current Provisions

	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits		
Provision for gratuity*	-	0.00
Provision for leave encashment	3.70	3.45
	3.70	**3.45**

*Amount is less than ₹ 0.01 crore as at March 31,2020

Note 18. Revenue from operations

	Mar 31, 2021	Mar 31, 2020
Sale of products (refer note 35)	1,537.26	1,457.67
Other operating revenues*	47.14	53.87
	1,584.40	**1,511.54**

The Company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*Includes accrual of income under Package Scheme of Incentives of 41.88 (previous year 38.67) and reimbursement of provident fund under Package Scheme of Incentives of Nil (previous year 2.18)

Note 19. Other income

	Mar 31, 2021	Mar 31, 2020
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	15.69	16.33
others	0.31	0.19
On deposits with bank	0.12	0.33
Profit on sale of investments carried at fair value through profit or loss	0.58	0.94
Dividend income from equity investments designated at fair value through profit or loss	0.08	-
Net gain on disposal of property, plant and equipment	-	0.41
Net gain on foreign currency transaction and translation	2.88	13.92
Excess provision of Interest on Income Tax written back	-	1.08
Bad Debts recovered	1.96	-
Miscellaneous Income	4.02	2.15
	25.64	**35.35**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 20. Cost of materials consumed

	Mar 31, 2021	Mar 31, 2020
Raw materials and packing materials at the beginning of the year	52.37	60.86
Add: Purchases during the year	946.09	863.63
Less: Raw materials and packing materials at the end of the year	79.75	52.37
	918.71	**872.12**

Note 21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Mar 31, 2021	Mar 31, 2020
Opening balance		
Work-in progress	14.15	15.20
Finished goods	16.98	4.67
Stock-in-trade	2.82	0.13
	33.95	**20.00**
Closing balance		
Work-in progress	18.49	14.15
Finished goods	30.62	16.98
Stock-in-trade	2.31	2.82
	51.42	**33.95**
	(17.47)	**(13.95)**

Note 22. Employee benefit expense

	Mar 31, 2021	Mar 31, 2020
Salaries and wages (including bonus)	43.56	42.78
Remuneration to directors	7.07	9.09
Contribution to provident and other funds	3.82	3.53
Staff welfare expenses	1.67	1.27
Total - A	**56.12**	**56.67**
Labour charges (including bonus)	39.86	37.43
Total - B	**39.86**	**37.43**
Total expense (A+B)	**95.98**	**94.10**

Note 23. Finance costs

	Mar 31, 2021	Mar 31, 2020
Interest on debts and borrowings*		
To banks#	6.44	9.75
Interest on lease liabilities	0.08	0.03
Exchange differences regarded as an adjustment to borrowing cost*	-	2.39
	6.52	**12.17**

*Net of borrowing costs capitalised (refer note 3A)

#Includes relating hedging cost

Note 24. Depreciation and amortization expense

	Mar 31, 2021	Mar 31, 2020
Depreciation of tangible assets (refer note 3A)	36.52	33.20
Amortization of intangible assets (refer note 3B)	1.01	0.52
Depreciation of Right-of-use assets (refer note 3C)	0.45	0.24
	37.98	**33.96**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 25. Other expenses

	Mar 31, 2021	Mar 31, 2020
Consumption of stores and spares	7.93	8.15
Repairs and maintenance :		
Plant and machinery	4.46	4.80
Buildings	1.77	2.32
Others	6.65	6.54
Water and electricity charges	22.91	22.05
Rates and taxes	2.52	2.10
Legal and professional fees	12.41	8.22
Travelling and conveyance	3.86	6.63
Sales commission expenses	4.95	5.57
Freight and forwarding charges	35.59	34.87
Transportation charges	26.91	22.05
Pump truck expenses	8.63	8.62
Security service charges	3.80	8.52
Sales promotion expenses	4.44	6.81
Donations	1.37	2.12
Advertisement expenses	0.28	3.61
Advances written off	0.03	0.04
Directors' sitting fees	0.17	0.16
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.81	0.26
Bad debts written off	0.24	0.04
Impairment loss on financial assets	16.32	5.42
Loss on sale of property, plant and equipment (net)	0.03	-
Impairment of Inventory	0.16	-
Corporate Social Responsibility expenditure (refer note 25(b))	5.16	4.80
Payments to auditors (refer note 25(a))	1.14	0.92
Testing Charges	4.10	10.37
Miscellaneous expenses (mainly includes bank charges, Information technology, insurance, factory, communication, office expenses etc)	16.30	18.79
	192.94	**193.78**

Note 25(a). Details of payments to auditors

	Mar 31, 2021	Mar 31, 2020
Payment to auditors		
As auditor:		
Audit fee	0.72	0.58
Limited Review	0.40	0.32
In other capacity		
Certification fees	0.02	0.02
	1.14	**0.92**

Note 25(b). CSR expenditure

	Mar 31, 2021	Mar 31, 2020
a) Gross amount required to be spent by the Company during the year	5.10	4.71
b) Amount approved by the Board to be spent during the year	5.10	4.71
c) Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	5.16	4.80

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 26. Earnings per share (EPS)

	Mar 31, 2021	Mar 31, 2020
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	189.07	213.40
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (₹)	**20.89**	**23.58**
Nominal value of shares (₹)	**2.00**	**2.00**

Note 27. Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 29). The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense recognized in statement of Profit and Loss

	Mar 31, 2021	Mar 31, 2020
Service cost	0.88	0.83
Net interest cost*	0.00	0.03
Expenses recognized in the statement of Profit and Loss	**0.88**	**0.86**

Other Comprehensive Income

	Mar 31, 2021	Mar 31, 2020
Opening amount recognized in OCI	-	-
Actuarial gain / (loss) on liabilities	0.23	(0.47)
Actuarial gain / (loss) on assets	0.12	(0.12)
Closing amount recognized in OCI	**0.35**	**(0.59)**

The amount recognized in Balance Sheet

	Mar 31, 2021	Mar 31, 2020
Present value of funded obligations	11.45	10.57
Fair value of plan assets	12.44	10.57
Net defined benefit liability / (assets) recognized In balance sheet*	**(0.99)**	**0.00**

*Amount is less than 0.01 for March 31,2021 and March 31, 2020

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations (Contd..)

Change in Present Value of Obligations

	Mar 31, 2021	Mar 31, 2020
Opening defined benefit obligations	10.57	9.21
Service cost	0.88	0.83
Interest Cost	0.60	0.70
Benefit Paid	(0.37)	(0.64)
Actuarial (gain)/ loss on total liabilities	(0.23)	0.47
Closing defined benefit obligations	**11.45**	**10.57**

Change in Fair Value of Plan Assets

	Mar 31, 2021	Mar 31, 2020
Opening fair value of plan assets	10.57	8.85
Actual Return on Plan Assets (Expected Return ₹ 0.60 (previous year ₹ 0.68))	0.71	0.56
Employer Contribution	1.53	1.80
Benefit Paid	(0.37)	(0.64)
Closing fair value of plan assets	**12.44**	**10.57**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	Mar 31, 2021	Mar 31, 2020
Investments with insurer (LIC)	72%	84%
Investments with insurer (ICICI)	28%	16%

The significant actuarial assumptions were as follows :

	Mar 31, 2021	Mar 31, 2020
Discount Rate	6.25% per annum	5.66% per annum
Rate of increase in Compensation levels	5% per annum	(Nil for the current year, from next year onward it is 5% per annum)
Rate of Return on Plan Assets	5.66% per annum	7.63% per annum

The estimates of future salary increases in actuarial valuation taking into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

The expected contribution for defined benefit plan for the next finanacial year will be in line with financial year 2020-21.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	Mar 31, 2021	Impact (Absolute)	Impact (%)
Base Liability	11.45		
Increase Discount Rate by 0.50%	11.24	(0.21)	-1.84%
Decrease Discount Rate by 0.50%	11.67	0.22	1.92%
Increase Salary Inflation by 1.00%	11.88	0.42	3.70%
Decrease Salary Inflation by 1.00%	11.06	(0.40)	-3.46%

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations (Contd..)

	Mar 31, 2021	Impact (Absolute)	Impact (%)
Increase in Withdrawal Assumption by 5.00%	11.54	0.08	0.73%
Decrease in Withdrawal Assumption by 5.00%	11.29	(0.16)	-1.39%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.

2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

3. The base liability is calculated at discount rate of 6.25% per annum and salary inflation rate of 5.00% per annum for all future years.

Note 28. Commitments and contingencies

Capital Commitments

	Mar 31, 2021	Impact (%)
Estimated amount of contracts remaining to be executed on capital account (net of advances)	19.78	40.99

Contingent liabilities

	Mar 31, 2021	Impact (Absolute)
Guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	338.66	429.94
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	273.85	132.10
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters	6.35	4.63
Sales tax / VAT related matters	0.87	0.87
Provident Fund related matter	0.15	0.15
Advance License Import and Export obligation	0.37	-

Note a.

The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Note b.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information

		Principal place of business
A	**Names of related parties and related party relationship :**	
I	**Subsidiaries and associates**	
	Indian subsidiaries	
1	Economic Explosives Limited	India
2	Blastec (India) Private Limited^	India
3	Emul Tek Private Limited^	India
4	Solar Defence Limited (Note - i)	India
5	Solar Defence Systems Limited (Note - i)	India
6	Solar Avionics Limited (Note - i and iii)	India
	Overseas subsidiary	
1	Solar Overseas Mauritius Limited	Mauritius
	Overseas step down subsidiaries	
1	Solar Mining Services Pty Limited, South Africa	South Africa
2	Nigachem Nigeria Limited	Nigeria
3	Solar Overseas Netherlands B.V.	Netherlands
4	Solar Explochem Zambia Limited	Zambia
5	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey
6	P.T. Solar Mining Services (Note - i)	Indonesia
7	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey
8	Solar Nitro Ghana Limited	Ghana
9	Solar Madencilik Hizmetleri A.S	Turkey
10	Solar Overseas Netherlands Cooperative U.A	Netherlands
11	Solar Overseas Singapore Pte Ltd	Singapore
12	Solar Industries Africa Limited	Mauritius
13	Solar Nitro Zimbabwe (Private) Limited	Zimbabwe
14	Solar Nitro Chemicals Limited (Note - i)	Tanzania
15	Solar Mining Services Pty Ltd, Australia*	Australia
16	Solar Mining Services Cote d'Ivoire Limited SARL (Note -i)	Ivory Coast
17	Laghe Venture Company Limited	Tanzania
	Associates / Joint Ventures	
1	Solar Bhatgaon Extension Mines Pvt. Limited (Note - iv)	India
2	SMS Bhatgaon Mines Extension Pvt. Limited (Note - iv)	India

Note - i: The entity has not commenced its business operations

Note - ii: The entity is under liquidation

Note - iii: The entity is incorporated on November 16, 2020

Note - iv: The entities is under process of striking off

*Formerly known as Australian Explosives Technologies Group Pty Limited

^Scheme of merger of Blastec (India) Private Limited into Emul Tek Private Limited is filed at NCLT.

II Key Management Personnel (KMP)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Kailashchandra Nuwal (Vice Chairman and Executive Director) (Vacated the office of Director and Key Managerial Personnel (KMP) of the Company w.e.f. November 07, 2019) (refer note 29D)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Anil Kumar Jain (Executive Director)

Shri Nilesh Panpaliya (Chief Financial Officer)(Resigned from the position of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021)

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Shri Moneesh Agrawal (Appointed as Joint Chief Financial Officer on May 27, 2021)

Mrs. Shalinee Mandhana (Appointed as Joint Chief Financial Officer on May 27, 2021)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III Non Executive Directors**

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Shri Sunil Srivastav

Smt. Madhu Vij (upto September 16, 2020)

Smt. Sujitha Karnad (Appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated 15th December, 2020)

**Non executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2020-21. The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

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

i. Solar Synthetics Private Limited

V Other related parties

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

(Post employment benefit plan of the Company)

Refer note 27 for information on transactions with post employment benefit plan mentioned above

VI Entities with Joint control

Astra Resources (Pty) Limited

*The entities are under process of striking off.

B. Transactions with related parties during the year

Nature of Transaction	Mar 31, 2021	Impact (Absolute)
Sales of products and services		
Economic Explosives Limited	126.81	106.61
Blastec (India) Private Limited	0.65	1.22
Nigachem Nigeria Limited	21.32	23.94
Solar Explochem Zambia Limited	12.98	10.42
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	27.44	25.19
Solar Mining Services (Pty) Ltd, South Africa	37.57	32.72
Solar Mining Services Pty Ltd, Australia*	9.62	7.25
Solar Nitro Ghana Limited	5.62	0.44
Solar Nitro Chemicals Limited	0.32	-
Laghe Venture Company Ltd	4.50	3.26
Total	**246.83**	**211.05**
Other operating income		
Economic Explosives Limited- License	-	0.22
Nigachem Nigeria Limited - Technical consultancy	1.13	0.94
Economic Explosives Limited- Transportation	1.53	-

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Nature of Transaction	Mar 31, 2021	Impact (Absolute)
Other Income (Arrangement fees)		
Solar Overseas Mauritius Ltd.	1.54	0.46
Solar Mining Services (Pty) Ltd, South Africa	0.64	1.26
Nigachem Nigeria Limited *	0.00	-
Solar Nitro Ghana Limited*	0.00	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.18	0.16
Cross Charges recovered		
Economic Explosives Limited	0.17	0.14
Blastec (India) Private Limited	0.01	0.02
Nigachem Nigeria Limited	2.20	0.08
Solar Explochem Zambia Limited	0.05	0.05
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.10	0.13
Solar Mining Services (Pty) Ltd, South Africa	0.03	0.03
Solar Nitro Ghana Limited*	0.00	-
Laghe Venture Company Ltd	0.01	-
Solar Mining Services Pty Ltd, Australia*	0.00	0.00
Solar Madencilik Hizmetleri A.S.	0.04	0.02
Total	**7.63**	**3.51**
Sale of fixed assets		
Blastec (India) Private Limited	0.56	0.36
Total	**0.56**	**0.36**
Purchase of raw material,components and fixed assets		
Economic Explosives Limited	139.05	109.48
Solar Mining Services Pty Ltd, Australia*	0.00	-
Blastec (India) Private Limited	1.54	0.01
Emul Tek Private Limited	0.04	0.46
Total	**140.63**	**109.95**
Purchase of License		
Economic Explosives Limited	-	1.14
Total	**-**	**1.14**
Other Expenditure		
Solar Synthetics Private Limited	0.18	0.15
Economic Explosives Limited	-	1.01
Economic Explosives Limited-Transportation	0.62	-
AG Technologies Pvt. Ltd. (Rent) (refer note 29D)	-	0.32
Solar Synthetics Private Limited (Rent)	0.04	0.07
Solar Mining Services (Pty) Ltd, South Africa	-	0.16
Total	**0.84**	**1.71**

Nature of Transaction	Mar 31, 2021	Impact (Absolute)
Investment		
Solar Overseas Mauritius Ltd.^	-	67.96
Solar Avionics Limited	0.05	-
Total	**0.05**	**67.96**
Loans given/ (repaid) during the year		
Given		
Economic Explosives Limited Given	594.48	589.34
Blastec (India) Private Limited Given	14.38	40.53
Solar Overseas Mauritius Ltd. Loan Given	105.49	94.28
Emul Tek Private Limited Given	0.43	0.57
	714.78	**724.72**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Nature of Transaction	Mar 31, 2021	Impact (Absolute)
Repaid		
Economic Explosives Limited Recovered	(588.58)	(650.39)
Blastec (India) Private Limited Recovered	(12.41)	(33.51)
Solar Overseas Mauritius Ltd. Recovered	(119.00)	(52.96)
Emul Tek Private Limited Recovered	(0.58)	(0.60)
	(720.57)	**(737.46)**
Total (net)	**(5.79)**	**(12.74)**
Interest income		
Economic Explosives Limited	3.52	4.09
Blastec (India) Private Limited	1.36	1.28
Emul Tek Private Limited	0.25	0.25
Solar Overseas Mauritius Ltd	10.54	10.71
Total	**15.67**	**16.33**
Remuneration to KMP**		
Short-term employee benefits		
Shri S.N. Nuwal	2.70	2.70
Shri K.C. Nuwal (refer note 29D)	0.68	2.70
Shri Manish Nuwal	2.70	2.70
Shri Suresh Menon	0.48	0.48
Shri Anil Kumar Jain	0.51	0.51
Shri Nilesh Panpaliya (Chief Financial Officer) (Resigned from the position of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021)	0.36	0.36
Mrs. Khushboo Pasari	0.12	0.12
Total	**7.55**	**9.57**
Sitting fees		
Shri Anant Sagar Awasthi	-	0.02
Shri Dilip Patel	0.04	0.03
Shri Ajai Nigam	0.04	0.03
Shri Amrendra Verma	0.04	0.04
Smt Madhu Vij	0.02	0.03
Smt Sujitha Karnad	0.01	-
Shri Sunil Shrivastav	0.02	0.01
Total	**0.17**	**0.16**
Guarantee given on behalf of subsidiary		
Solar Overseas Mauritius Limited	146.21	132.10
Solar Mining Services (Pty) Limited, South Africa	-	102.71
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	-	75.66
Total	**146.21**	**310.47**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*Amount is less than ₹ 0.01 as at March 31, 2021 and March 31, 2020

**This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Company as a whole and individual amounts are not determinable.

^Conversion of loan into investment in March 31, 2020

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

C. Balance outstanding at the year end are as follows:

Nature of Transaction	Mar 31, 2021	Impact (Absolute)
Loans		
Economic Explosives Limited	11.71	5.81
Blastec (India) Private Limited	17.29	15.31
Solar Overseas Mauritius Ltd.	99.82	118.44
Emul Tek Private Limited	2.73	2.88
Total	**131.55**	**142.44**
Other Financial Assets (Accrued Interest)		
Economic Explosives Limited	0.90	1.16
Blastec (India) Private Limited	0.33	0.60
Solar Overseas Mauritius Limited	2.22	2.70
Emul Tek Private Limited	0.05	0.11
Total	**3.50**	**4.57**
Trade receivables/ Other Receivables		
Nigachem Nigeria Limited	26.96	7.62
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	15.24	24.99
Solar Mining Services (Pty) Limited, South Africa	75.48	37.53
Solar Explochem Zambia Limited	6.35	6.11
Solar Defence Limited*	0.00	-
Solar Defence Systems Limited*	0.00	-
Economic Explosives Limited	4.67	12.08
Solar Mining Services (Pty) Limited, Australia	14.40	5.01
Laghe Venture Company Ltd	1.62	3.44
Solar Overseas Mauritius Ltd	0.24	0.49
Solar Madencilik Hizmetleri A.S.	-	0.03
Solar Nitro Chemicals Limited	0.01	-
Solar Nitro Ghana Limited	5.48	0.46
Total	**150.45**	**97.76**
Trade payables/ Other payables		
Economic Explosives Limited	10.06	10.90
Solar Mining Services (Pty) Limited, South Africa	-	0.16
Solar Mining Services (Pty) Limited, Australia*	0.00	-
Nigachem Nigeria Limited	0.63	-
Emul Tek Private Limited	-	0.18
Solar Synthetics (P) Ltd	0.02	-
Shri S.N.Nuwal	0.75	0.23
Shri Manish Nuwal	0.68	0.16
Shri K.C. Nuwal (refer note 29 D)	0.06	0.05
Total	**12.20**	**11.68**
Capital creditors		
Emul Tek Private Limited	-	0.36
Total	-	0.36
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	388.99	330.71
Solar Mining Services (Pty) Limited, South Africa	150.41	155.67
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	73.11	75.66
Total	**612.51**	**562.04**

*Amount is less than 0.01 as at March 31, 2021 and March 31, 2020

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

D. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Company and AG Technologies Private Limited, which was (and continued to be) related party. Based on legal opinions obtained, the Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director. The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee. Based on legal evaluation, the Company believes that there are no other legal non-compliance due to vacation of office by the said Director. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT.

Note 30. Segment Information

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product of geography.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments" the Company has presented segment, information only in the Consolidated financial statements.

Note 31. Fair value measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, other than cash and cash equivalents, trade receivables, other financial assets (except derivatives) , trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments/ units of mutual fund schemes are based on market price/ net asset value at the reporting date.

3. The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing, Option contracts and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

4. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair value measurements (Contd..)

5. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

   The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2021 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost -					
Loans	135.90	5	-	135.90	-
Other financial assets (except derivatives)	110.10	6	-	-	-
Trade receivables	294.80	7	-	-	-
Cash and cash equivalents	45.35	8	-	-	-
Bank balances other than cash and cash equivalents	2.28	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	0.77	4	-	0.77	-
Fair value through profit and loss					
Derivative Instruments designated as hedge	0.53	6	-	0.53	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	74.65	12	-	74.65	-
Current	20.00	13	-	20.00	-
Trade payables (including Acceptances)	187.42	15	-	-	-
Other financial liabilities (except derivatives)	70.89	3C & 16	-	-	-
Fair value through Other Comprehensive Income					
Derivative Instruments not designated as hedge	0.10	16	-	0.10	-

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

   The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost -					
Loans	147.98	5	-	147.98	-
Other financial assets (except derivatives)	90.26	6	-	-	-
Trade receivables	205.96	7	-	-	-
Cash and cash equivalents	62.86	8	-	-	-
Bank balances other than cash and cash equivalents	2.12	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	2.14	4	-	2.14	-
Fair value through profit and loss	0.02	4	0.02	-	-
Derivative Instruments designated as hedge					
Financial Liabilities	2.05	6	-	2.05	-
Amortised cost					
Borrowings					

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair value measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current					
Current	63.45	12	-	63.45	-
Trade payables (including Acceptances)	38.74	13	-	38.74	-
Other financial liabilities (except derivatives)	106.33	15	-	-	-
Fair value through Other Comprehensive Income	63.07	3C & 16	-	-	-
Derivative Instruments not designated as hedge	0.62	16	-	0.62	-

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

Note 32. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Loan	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options contracts/forward
Market Risk- Equity price risk	Investment in Equity Securities, mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letter of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company borrows

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

funds from domestic and international markets to meet its long-term and short-term funding requirements. It is subject to risks arising from fluctuations in interest rates. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the instrument	Currency	Mar 31, 2021	Mar 31, 2020
Derivatives designated as hedge			
Interest rate swap*	USD	0.00	0.01

*Amount is less than USD 0.01 for March 31, 2021

0.5 % changes in interest rate will increase/ decrease the borrowing cost by ₹ 0.46 (Pre-tax)

0.5 % changes in LIBOR will increase/ decrease the borrowing cost by ₹ 0.06

The Company has investment in Bank Deposits and hence is exposed to interest rate sensitivity. 0.5 % changes in interest rate will increase/ decrease interest income by ₹ 0.01

Foreign Currency Risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

a) Derivative outstanding as at the reporting date

The Company has borrowings (long term) in foreign currency amounting to ₹ 13.00 (March 31, 2020: ₹ 40.36). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Company has taken foreign exchange forward / call spread contracts, which are as follows:

Nominal value of forward contracts & option contracts that hedge monetary labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

Name of the instrument	Currency	Mar 31, 2021	Mar 31, 2020
Derivatives not designated as hedge			
Call spread	USD	0.18	0.53
Seagull	USD	-	0.12

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	Mar 31, 2021					Mar 31, 2020		
	USD	SEK	ZAR	GBP	EURO	USD	SEK	ZAR
Trade Receivable	127.50	-	72.52	-		79.90	-	36.54
Loans	99.82	-	-	-		118.44	-	-
Other Financial Assets	2.22	-	-	-		2.70	-	-
Capital Creditors	-	0.46		0.62	0.10	-		
Trade Payables (including Acceptances)	55.69	-	-	-	0.08	0.04	0.11	0.16

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

Name of the instrument	Mar 31, 2021	Mar 31, 2020
USD	1.74	2.01
SEK *	0.00	0.00
ZAR	0.73	0.36
GBP	0.01	-
EURO *	0.00	-

*Amount is less than ₹ 0.01

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

	Mar 31, 2021	Mar 31, 2020
Investment in equity shares (quoted)	-	0.02

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and gain/ loss for the year would be ₹ Nil (March 31, 2020: ₹ 0.00*) (Pre-tax). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

*Amount is less than ₹ 0.01

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

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

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

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

Loans: The Company has given loans to subsidiaries. However there is no counter party risk. (refer note 5)

Trade and other receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2021	209.39	20.50	94.68	324.57
As at March 31, 2020	133.75	30.38	55.28	219.41

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

	Mar 31, 2021	Mar 31, 2020
Opening balance	13.45	8.03
Provided during the year	16.32	5.42
Closing balance	29.77	13.45

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	On demand	3 to 12 months	1 to 5 years	Total
March 31, 2021					
Borrowings					
From Banks (net of interest accrued but not due)	-	28.85	21.90	74.65	125.40
Trade payables (including Acceptances)	-	148.48	38.94	-	187.42
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	20.06	18.76	-	38.87
Lease liabilities (Gross)		-	0.69	0.75	1.44
Derivative Instruments	-	-	0.10	-	0.10
March 31, 2020					
Borrowings					
From Banks (net of interest accrued but not due)	5.41	40.06	20.18	63.45	129.10
Trade payables (including Acceptances)	-	97.34	8.99	-	106.33
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	14.50	21.13	-	35.68
Lease liabilities (Gross)			0.17	0.44	0.61
Derivative Instruments	-	-	-	0.62	0.62

Note 33. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents and bank balances.

	Mar 31, 2021	Mar 31, 2020
Net Debt	80.05	66.22
Equity	1,156.81	1,021.38
Capital Employed	1,236.86	1,087.60
Net Gearing ratio	6.47%	6.09%

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 33. Capital management (Contd..)

Calculation of net debt is as follows :

Name of the instrument	Mar 31, 2021	Mar 31, 2020
Borrowings		
Non-Current	74.65	63.45
Current	20.00	38.74
Current maturities of long-term debt	30.75	26.91
	125.40	**129.10**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	45.35	62.86
Current Investments	-	0.02
	45.35	**62.88**
Net Debt	**80.05**	**66.22**

"In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note 34. Research & Development Expenditure:

Nature	Mar 31, 2021	Mar 31, 2020
Revenue Expenditure	3.56	6.21
Capital Expenditure	-	0.72
Total	**3.56**	**6.93**

1. Capital Expenditure incurred on R&D is included in property, plant and equipment and depreciation is provided on the same at the respective applicable rates.
2. Revenue expenditure incurred on R&D has been included in the respective account heads in the Statement of Profit and Loss.

Note 35. Revenue from operations

a. Principal revenue generation activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Company's disaggregate revenue by geographical location.

	Mar 31, 2021	Mar 31, 2020
India	1,260.47	1,196.76
Rest of the World	276.79	260.91
Total	**1,537.26**	**1,457.67**

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 35. Revenue from operations (Contd..)

c. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2021.

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

	Mar 31, 2021	Mar 31, 2020
Trade Receivables	294.80	205.96
Contract Liabilities	12.17	13.15

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

	Mar 31, 2021	Mar 31, 2020
Revenue as per contracted price	1,571.17	1,494.76
Adjustments for:		
Rebates, Discounts and Powder Factor deductions	(33.91)	(37.09)
Revenue from contract with customers	**1,537.26**	**1,457.67**

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2021, the aggregate amount of the transaction price allocated to order backlog was ₹ 1,155.07 The Company expects to recognise revenue within the range from 90% to 95% of the order backlog through 2021-22.

Note 36. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	Mar 31, 2021	Mar 31, 2020
Principal amount outstanding (whether due or not) to micro and small enterprises	5.21	4.30
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

Notes to Standalone financial statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 37. The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets and financial position based on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at March 31, 2021 and fulfil its obligations as and when they fall due.

The future impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Note 38. The financial statements were approved for issue by the Board of Directors on May 27, 2021

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Independent Auditor's Report

To the Members of **Solar Industries India Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2021, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition *(as described in note 2.2 (j) of the consolidated financial statements)*	
Revenue from sale of goods is recognized as outlined in note 20 of the consolidated financial statements. The Holding Company estimates the provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales for the period.	Our audit procedures included, amongst others the following: • Evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). • Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision.

Key audit matters	How our audit addressed the key audit matter
As at March 31, 2021, the Holding Company is carrying a powder factor provision of ₹ 12.75 crore. This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.	• Read the agreement with customers for validating terms relating to powder factor. • Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. • We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. • Evaluated the historical trend against the actual powder factor deduction. • Assessed and reviewed the disclosures made by the company in the consolidated financial statements.
Carrying value of trade receivables *(as described in note 2.2 (i) (4) of the consolidated financial statements)*	
As at March 31, 2021, trade receivables constitutes approximately 15% of total assets of the Group. The Holding Company is required to regularly assess the recoverability of its trade receivables. The Holding Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Holding Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. This is a key audit matter as significant judgement is involved to establish the provision matrix. The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in note 7 to the consolidated financial statements. The auditors of Economic Explosives Limited ('EEL') and Solar Overseas Mauritius Limited ('SOML'), subsidiaries of the Holding Company have also reported key audit matter on the aforesaid topic.	Our audit procedures included, amongst others the following: • Evaluated the Holding Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 (Financial Instruments). • Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over provision for expected credit loss. • Evaluated management's assumption and judgement relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision. • Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. • Assessed and reviewed the disclosures made by the Company in the consolidated financial statements. In respect of the key audit matter reported to us by the auditors of EEL and SOML, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the component auditor, the audit procedures performed include the audit procedures mentioned above.
Receivables under Package Scheme of Incentives 2007 (PSI) *(as described in note 2.2 (z) of the standalone financial statements)*	
The Holding Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra, issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Holding Company is accruing incentive @100% of SGST paid by the Company in Maharashtra.	Our audit procedures included, amongst others the following: • Read the PSI scheme and evaluated the eligibility of the Holding Company to claim incentives. • Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Holding Company's eligibility of PSI incentive.

Key audit matters	How our audit addressed the key audit matter
Total outstanding receivable of PSI incentive relating to above as at March 31, 2021 is ₹113.26 crore. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amount. The auditors of Economic Explosives Limited ('EEL'), a subsidiary of the Holding Company have also reported key audit matter on the aforesaid topic.	• Evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed. • Read the correspondences with the government department relating to incentive claims filed by the Holding Company. • Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables. In respect of the key audit matter reported to us by the auditors of EEL, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the component auditor, the audit procedures performed include the audit procedures mentioned above.
Deferred Tax Asset *(as described in note 2.2 (o) of the consolidated financial statements)*	

The auditors of Solar Overseas Mauritius Limited ('SOML'), a subsidiary of the Holding Company have reported recoverability of deferred tax asset in subsidiary in South Africa as key audit matter.
 	
The company has recently started operations in South Africa. Being in the initial years of operations, these entities have incurred significant losses. The management has recognised deferred tax assets on these losses amounting to ₹ 52.12 crore as at March 31, 2021 based on the source of such losses, forecasts based on market expectations, its experience with respect to recoverability of losses from operations in the other territories and period over which these losses can be carried forward.
 	
The ultimate recoverability of the deferred tax asset depends on continued improvements in the profitability of the businesses.
 	
As at March 31, 2021, the Group has an outstanding deferred tax asset balance of ₹70.29 crore.
 	
We considered this a key audit matter because deferred tax assets constitute a material balance in the financial statements and significant judgement is required by the company in determining the recoverability of deferred tax assets arising from past tax losses due to inherent uncertainties involved in forecasting such profits.
	Our audit procedures included, amongst others the following:
	
	• In respect of the key audit matter reported to us by the auditors of SOML, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the subsidiary auditor, the following procedures have been performed by them:-
	
	  • Evaluated management's assessment of source of losses; a major amount of which pertains to non-operating losses i.e., finance cost and currency loss restatement.
	
	  • Evaluated the progress made by the Company in improving the profitability of the business in recent periods.
	
	  • Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a 5 year plan.
	
	  • Assessed the tax rate applied (28%) to the forecast future taxable profits and also the time period over which tax losses can be carried forward.
	
	  • Assessed the performance of the company and the recoverability of losses in the other territories.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of ₹ 1,488.30 crore as at March 31, 2021, and total revenues of ₹ 543.57 crore and net cash inflows of ₹ 30.44 crore for the year ended on that date which have been audited by one of the joint auditors, which reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such joint auditor.

(b) We did not audit the financial statements and other financial information, in respect of 11 subsidiaries, whose financial statements include total assets of ₹ 1,118.42 crore as at March 31, 2021, and total revenues of ₹ 945.48 crore and net cash inflows of ₹ 62.39 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 457.46 crore as at March 31, 2021, and total revenues of ₹ 0.47 crore and net cash inflows of ₹ 2.05 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of a jointly controlled entity, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and a jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and a jointly controlled entity, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its jointly controlled entity in its consolidated financial statements – Refer Note 29 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the consolidated financial statements in respect of such items as it relates to the Group and its jointly controlled entity;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2021.

For **Akshay Rathi & Associates** Chartered Accountants ICAI Firm Reg. number: 139703W	For S R B C & CO LLP Chartered Accountants ICAI Firm Reg. number: 324982E/E300003
per **Akshay Rathi** Proprietor Membership No.: 161910 UDIN: 21161910AAAABX2405	per **Pramod Kumar Bapna** Partner Membership No.: 105497 UDIN: 21105497AAAABA6138
Place: Nagpur **Date:** May 27, 2021	**Place:** Mumbai **Date:** May 27, 2021

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Solar Industries India Limted

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

In conjunction with our audit of the consolidated financial statements of Solar Industries India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Reg.
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910
UDIN: 21161910AAAABX2405

Place: Nagpur
Date: May 27, 2021

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg.
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497
UDIN: 21105497AAAABA6138

Place: Mumbai
Date: May 27, 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,216.48	1,147.41
Capital work-in-progress	3A	282.37	152.23
Goodwill	3B	9.56	9.87
Other Intangible assets	3C	36.49	34.37
Intangible assets under development	3C	10.51	12.74
Right-of-use assets	3D	25.00	16.90
Financial assets			
Investments	4	0.97	2.33
Loans	5	20.70	21.12
Other financial assets	6	84.88	23.47
Deferred tax assets (net)	9A	70.29	51.53
Current tax assets (net)		21.67	30.03
Other non-current assets	11	25.13	46.82
Total non-current assets		**1,804.05**	**1,548.82**
Current assets			
Inventories	10	440.49	330.98
Financial assets			
Investments	4	-	0.02
Trade receivables	7	455.48	370.32
Cash and cash equivalents	8	169.93	92.56
Bank balances other than cash and cash equivalents	8	11.27	27.58
Loans	5	4.17	5.67
Other financial assets	6	62.47	86.59
Other current assets	11	81.85	69.78
Total current assets		**1,225.66**	**983.50**
Total assets		**3,029.71**	**2,532.32**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	1,561.31	1,361.99
Equity attributable to shareholders		**1,579.41**	**1,380.09**
Non-controlling interests		62.69	51.51
Total equity		**1,642.10**	**1,431.60**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	433.21	252.80
Other financial liabilities	16B	17.64	8.99
Deferred tax liabilities (net)	19	116.42	104.86
Provisions	18	0.91	1.92
Total Non-current liabilities		**568.18**	**368.57**
Current liabilities			
Financial liabilities			
Borrowings	14	194.02	357.37
Trade payables	15	286.08	154.43
Other financial liabilities	16A	216.95	153.60
Current tax Lilities (net)		17.86	3.24
Other current liabilities	17	93.71	54.97
Provisions	18	10.81	8.54
Total current liabilities		**819.43**	**732.15**
Total liabilities		**1,387.61**	**1,100.72**
Total equity and liabilities		**3,029.71**	**2,532.32**
Summary of significant accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	20	2,515.63	2,237.30
Other income	21	21.42	41.05
Total income		**2,537.05**	**2,278.35**
Expenses			
Cost of materials consumed	22A	1,185.08	1,103.78
Purchases of stock-in-trade		199.37	153.36
Changes in inventories of finished goods, work-in-proress and stock-in-trade	22B	(37.68)	(42.14)
Employee benefit expense	23	230.64	206.62
Depreciation and amortization expense	26	93.53	84.53
Other expenses	24	423.62	381.36
Finance costs	25	45.39	55.04
Total expenses		**2,139.95**	**1,942.55**
Profit before Exceptional item & tax		**397.10**	**335.80**
Profit before tax		**397.10**	**335.80**
Tax expense			
- Current tax		127.50	95.37
- Adjustment of tax relating to earlier periods		(1.18)	0.04
- Deferred tax		(17.29)	(38.28)
Total tax expense	19	**109.03**	**57.13**
Profit for the year		**288.07**	**278.67**
Other comprehensive income/(loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurements gain/ (loss) on defined benefit plans		(0.21)	(0.08)
Income tax effect		0.07	-
		(0.14)	**(0.08)**
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		1.03	(0.33)
Income tax effect		(0.15)	0.09
Exchange difference on translation of foreign operations		(2.50)	(68.61)
Income tax effect		(10.75)	5.55
		(12.37)	**(63.30)**
Total other comprehensive income/(loss) for the year, net of tax		**(12.51)**	**(63.38)**
Total comprehensive income for the year		**275.56**	**215.29**
Net profit attributable to			
a) Owners of the company		276.35	267.43
b) Non-controlling interest		11.72	11.24
		288.07	**278.67**
Other comprehensive income attributable to			
a) Owners of the company		(11.97)	(48.58)
b) Non-controlling Interest		(0.54)	(14.80)
		(12.51)	**(63.38)**
Total comprehensive income attributable to			
a) Owners of the company		264.38	218.85
b) Non-controlling Interest		11.18	(3.56)
		275.56	**215.29**
Earnings per equity share			
Basic and Diluted earnings per share	27	30.54	29.55
Summary of significant accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	**397.10**	**335.80**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortisation expense	93.53	84.53
(Profit) / Loss on Sale / Discard of property, plant and equipment (net)	(0.65)	(0.11)
Net loss/ (gain) on financial assets measured at fair value through profit or loss	0.81	0.22
Impairment of inventory	2.28	-
Profit on sale of financial assets carried at fair value through profit or loss	(0.58)	(0.94)
Dividend and interest income	(2.81)	(3.53)
Finance costs	45.39	55.04
Impairment loss on financial asset	34.25	17.45
Bad debts written off	0.28	0.97
Loans and advances written off *	0.00	0.20
Excess provision of Interest on Income Tax written back	-	(1.08)
Effect of Exchange Rate Change	(3.56)	(22.44)
Operating profit before working capital changes	**566.04**	**466.11**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(119.07)	33.03
(Increase)/Decrease in inventories	(111.78)	(48.24)
Increase/(Decrease) in trade payables	131.50	(7.77)
(Increase) /Decrease in other assets	(49.12)	(20.38)
Increase /(Decrease) in other liabilities	43.19	10.01
Cash generated from operations	**460.77**	**432.76**
Less : Income taxes paid	104.09	107.95
Net cash flows from operating activities	**356.68**	**324.81**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(264.96)	(239.06)
Proceeds from sale of property, plant and equipment	4.16	1.44
Payments for acquisition of subsidiary	-	(0.79)
Purchase of additional stake in subsidiary	(10.80)	-
Loans (given) to/ repaid by others-current/non-current	1.92	(10.58)
Proceeds/ (Purchase) from sale of non-current investments	0.55	0.01
Proceeds/ (Purchase) from sale of current investments	0.60	31.00
(Investment)/Redemption in fixed deposits	16.31	3.18
Dividend and interest income received	1.48	2.56
Net cash flows used in investing activities	**(250.74)**	**(212.24)**
Cash flows from financing activities		
Proceeds from non-current borrowings	343.16	262.17
Repayment of non-current borrowings	(98.84)	(209.53)
Proceeds from/ (Repayment) of current borrowings	(163.35)	44.45
Lease Liabilties	(3.98)	(4.74)
Interest paid	(48.77)	(56.87)
Dividend Paid (including Dividend Distribution Tax)	(54.29)	(76.36)
Proceed from issue of fresh shares to minority	-	13.65
Transaction with Non-controlling Interest	-	(6.39)
Net cash flows used in financing activities	**(26.07)**	**(33.62)**
Exchange difference arising on conversion debited to foreign currency translation reserve	**(2.50)**	**(47.39)**
Net increase in cash and cash equivalents	**77.37**	**31.56**
Add:-Cash and cash equivalents at the beginning of the year	92.56	61.00
Cash and cash equivalents at end of the year	**169.93**	**92.56**

* Amount is less than ₹ 0.01

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

Consolidated Statement of Cash Flows

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	March 31, 2020	Cash flows	Foreign exchange impact	March 31, 2021
Current borrowings	357.37	(163.35)	-	194.02
Non-current borrowings	350.76	244.32	(2.96)	592.12
Total liabilities from financing activities	**708.13**	**80.97**	**(2.96)**	**786.14**

Particulars	March 31, 2019	Cash flows	Foreign exchange impact	March 31, 2020
Current borrowings	312.92	44.45	-	357.37
Non-current borrowings	290.48	52.64	7.64	350.76
Total liabilities from financing activities	**603.40**	**97.09**	**7.64**	**708.13**

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Consolidated statement of Changes in Equity

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Particulars	No of Shares	Amount
At April 01, 2019 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2020 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2021 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**

B. Other Equity

Particulars	Reserves and surplus					Cash flow hedge reserve (Note 12A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total					
Balance as at April 01, 2019	**149.13**	**573.99**	**16.54**	**571.90**	**1,311.56**	**(0.17)**	**(91.16)**	**1,220.23**	**47.55**	**1,267.78**
Total profit for the year	-	267.43	-	-	267.43	-	-	267.43	11.24	278.67
Effect of adoption of Ind AS 116 Leases (Refer note 2.3)	-	(0.60)	-		(0.60)			(0.60)	-	(0.60)
Transfer from retained earnings	-	-	-	80.15	80.15	-	-	80.15	-	80.15
Transfer to General reserve	-	(80.15)	-	-	(80.15)	-	-	(80.15)	-	(80.15)
Other comprehensive income										
Remeasurement loss on defined benefit plans (net of tax)	-	(0.08)	-	-	(0.08)	-	-	(0.08)	-	(0.08)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	(0.24)	-	(0.24)	-	(0.24)
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	(48.39)	(48.39)	(14.80)	(63.19)
Transactions with owners :										
Dividend paid	-	(63.34)	-	-	(63.34)	-	-	(63.34)	-	(63.34)
Dividend distribution tax paid	-	(13.02)	-	-	(13.02)	-	-	(13.02)	-	(13.02)
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	0.28	0.28
Non Controlling interest arising on set-up of new subsidiary and issue of fresh shares by existing subsidiary	-	-	-	-	-	-	-	-	13.91	13.91
Loans to non-controlling interest	-	-	-	-	-	-	-	-	(6.67)	(6.67)
Balance as at March 31, 2020	**149.13**	**684.23**	**16.54**	**652.05**	**1,501.95**	**(0.41)**	**(139.55)**	**1,361.99**	**51.51**	**1,413.50**
Balance as at April 01, 2020	**149.13**	**684.23**	**16.54**	**652.05**	**1,501.95**	**(0.41)**	**(139.55)**	**1,361.99**	**51.51**	**1,413.50**
Total profit for the year	-	276.35	-	-	276.35	-	-	276.35	11.72	288.07
Transfer from retained earnings	-	-	-	75.00	75.00	-	-	75.00	-	75.00
Transfer to General reserve	-	(75.00)	-	-	(75.00)	-	-	(75.00)	-	(75.00)
Other comprehensive income										-
Remeasurement loss on defined benefit plans (net of tax)	-	(0.14)	-	-	(0.14)	-	-	(0.14)	-	(0.14)
Net movement in Cash Flow Hedges (net of tax)	-		-	-	-	0.88	-	0.88	-	0.88
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	(12.68)	(12.68)	(0.54)	(13.22)
Purchase of additional stake in subsidiary	-	(10.80)	-	-	(10.80)	-	-	(10.80)	-	(10.80)
Transactions with owners										
Dividend paid	-	(54.29)	-	-	(54.29)	-	-	(54.29)	-	(54.29)
Balance as at March 31, 2021	**149.13**	**820.35**	**16.54**	**727.05**	**1,713.07**	**0.47**	**(152.23)**	**1,561.31**	**62.69**	**1,624.00**

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman & Executive Director
DIN: 00713547

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 1: Corporate Information

Solar Industries India Limited (the 'Holding Company') is a Group domiciled in India, with its registered office at ''Solar'' House 14, Kachimet, Amravati Road, Nagpur - 440023 (Maharashtra). The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in jointly controlled entity and associates. The Group is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Group to all the period as mentioned in the financial statements.

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Details of group companies included in Consolidated Financial Statements are as under:

	Name	Country	% Equity Interest	
			As at March 31, 2021	As at March 31, 2020
A	**Subsidiaries**			
1	**Indian subsidiaries**			
a	Economic Explosives Limited	India	100.00 %	100.00 %
b	Blastec (India) Private Limited	India	100.00 %	100.00 %
c	Emul Tek Private Limited	India	100.00 %	100.00 %
d	Solar Defence Limited (Note i)	India	100.00 %	100.00 %
e	Solar Defence Systems Limited (Note - i)	India	100.00 %	100.00 %
f	Solar Avionics Limited (note i & iv)	India	100.00 %	-
2	**Overseas subsidiary**	Mauritius	100.00 %	100.00 %
a	Solar Overseas Mauritius Limited			

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Name		Country	% Equity Interest As at March 31, 2021	% Equity Interest As at March 31, 2020
3	**Overseas step-down subsidiaries**			
a	Solar Mining Services Pty Limited, South Africa	South Africa	86.74%	86.74%
b	Nigachem Nigeria Limited	Nigeria	55.00%	55.00%
c	Solar Overseas Netherlands B.V.	Netherlands	100.00%	100.00%
d	Solar Explochem Zambia Limited	Zambia	65.00%	65.00%
e	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey	100.00%	100.00%
f	P.T. Solar Mining Services (Note - i)	Indonesia	100.00%	100.00%
g	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey	53.00%	53.00%
h	Solar Nitro Ghana Limited	Ghana	90.00%	90.00%
i	Solar Madencilik Hizmetleri A.S	Turkey	100.00%	100.00%
j	Solar Overseas Netherlands Cooperative U.A	Netherlands	99.99%	99.99%
k	Solar Overseas Singapore Pte Ltd	Singapore	100.00%	100.00%
l	Solar Industries Africa Limited	Mauritius	100.00%	100.00%
m	Solar Nitro Zimbabwe (Private) Limited	Zimbabwe	100.00%	100.00%
n	Solar Nitro chemicals Limited (Note - i)	Tanzania	65.00%	65.00%
o	Solar Mining Services Pty Ltd, Australia*	Australia	76.00%	76.00%
p	Solar Mining Services Cote d'Ivoire Limited SARL (Note- i and iv)	Ivory Coast	100.00%	100.00%
q	Laghe Venture Company Limited	Tanzania	55.00%	55.00%
B	**Associates**			
a	SMS Bhatgaon Mines Extension Private Limited (Note iii)	India	49.00%	49.00%
b	Solar Bhatgoan Extension Mines Private Limited (Note iii)	India	49.00%	49.00%
C	**Entities with Joint control or significant influence over the entity**			
a	ASTRA Resources Pty Limited	South Africa	49.00%	49.00%

- Note i: The entity has not commenced its business operations
- Note ii: The entity is under liquidation.
- Note iii: The entity is under process of striking off
- Note iv: The entity is incorporated on November 16, 2020
- *Formerly known as Australian Explosives Technologies Group Pty Limited

2.2 Summary of significant accounting policies

a. Use of estimates

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

b. Property, Plant and Equipment

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

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

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

c. Intangible assets

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Product related intangibles is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

d. Depreciation and amortization

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

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	5 to 10

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 20
Wind Mill	22	22
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles (including Pump Trucks)	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Group's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology, Technical know-how)	5 to 10
Product Development	5

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets, Goodwill and Right-of-use assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

h. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building — 2 to 10 years
- Leasehold Land — 30 to 99 years
- Warehouse — 1 to 5 years
- Vehicle — 2 to 4 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Group lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

B. Equity instruments:

The Group measures its equity investment other than in subsidiaries, jointly controlled entity and associates at fair value through profit and loss. However, where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Financial liabilities

Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortised cost

Measurement

A. Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

3. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

4. **Impairment of financial assets**

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

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

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

j. **Revenue Recognition**

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 36.

The specific recognition criteria described below must also be met before revenue is recognised.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-120 days from shipment or delivery as the case may be.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

- Volume rebates and discounts

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

- Powder Factor

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

2. **Significant financing component**

In many cases, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

b. Sale of projects:

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

c. Interest Income:

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

d. Dividend:

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

Contract balances

Contract assets

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

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.2 i (1) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy/ Reimbursement of Provident Fund has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies transactions and translations

The Group's consolidated financial statements are presented in INR, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) **Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) **Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

m. Inventories

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

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

(i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Group and its Indian Subsidiaries for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance Group in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date. Overseas subsidiaries do not operate any defined benefit plans for employees.

(iii) Leave encashment

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

The Group and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

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

o. Tax Expense

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

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

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

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

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

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

<u>Sales/ value added taxes / GST paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognized net of the amount of sales / value added taxes / GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

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

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

(ii) Segment accounting policies

The Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Group have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

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

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

r. Provisions

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

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

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

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

u. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant & Equipment

The Group uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

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

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 (PSI)

The Group is eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per States Goods and Service Tax Act, 2017 (SGST) and reimbursement of 75% of the provident fund paid by the Group up to March 31, 2021. The eligibility of the benefits are subject to the Group confirming the terms and conditions mentioned in the eligibility certificate. The Company uses judgement to establish the recoverability and the timings of the receipts.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Lease

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease for example, when leases are not in the subsidiary's functional currency. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimation Uncertainty due to Global Health Pandemic on COVID-19

Refer Note 38 of the Consolidated Financial Statements.

2.3 Changes in accounting policies and disclosures

Effective during the year:

Amendment to the Existing Standards

Application of the following amendments did not have any significant impact on the consolidated financial statements of the Group:

(i) Ind AS 103 – Business Combinations

(ii) Ind AS 107 – Financial Instruments: Disclosures

(iii) Ind AS 109 – Financial Instruments

(iv) Ind AS 116 – Leases

The Group has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment

Particulars	Land	Leasehold Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year ended March 31, 2020								
Gross carrying amount as at April 01, 2019[1]	131.10	0.16	495.67	16.28	445.55	66.01	13.96	1,168.73
Exchange differences	(0.23)	-	(14.15)	(0.29)	(4.29)	(6.04)	(0.19)	(25.19)
Additions	19.59	-	114.11	3.61	88.68	10.88	3.19	240.06
Disposals	-	-	(0.21)	(0.03)	(0.48)	(0.09)	(0.35)	(1.16)
Acquisition of subsidiary	0.15	-	0.38	0.01	0.15	-	-	0.69
Other Adjustment	-	(0.16)	-	-	-	-	-	(0.16)
Closing gross carrying amount as at March 31, 2020	**150.61**	**-**	**595.80**	**19.58**	**529.61**	**70.76**	**16.61**	**1,382.97**
Regroupings of assets class	-	-	-	-	24.88	(24.23)	(0.65)	-
Regrouped Closing gross carrying amount as at March 31, 2020	**150.61**	**-**	**595.80**	**19.58**	**554.49**	**46.53**	**15.96**	**1382.97**
Accumulated depreciation								
Opening accumulated depreciation as at April 01, 2019	-	-	50.19	4.39	90.11	14.49	5.10	164.28
Depreciation charge for the year	-	-	24.14	1.99	34.93	11.15	2.64	74.85
Transfer	-	-	-	-	2.66	0.13	0.08	2.87
Disposals*	-	-	(0.18)	(0.00)	(0.03)	(0.14)	(0.02)	(0.37)
Exchange differences*	0.00	-	(1.07)	(0.10)	(2.46)	(2.13)	(0.31)	(6.07)
Closing accumulated depreciation as at March 31, 2020	**0.00**	**-**	**73.08**	**6.28**	**125.21**	**23.50**	**7.49**	**235.56**
Regrouping of accumulated depreciation class	-	-	-	-	7.67	(7.17)	(0.50)	-
Regrouped Closing accumulated depreciation as at March 31, 2020	**0.00**	**-**	**73.08**	**6.28**	**132.88**	**16.33**	**6.99**	**235.56**
Net carrying amount as at March 31, 2020	**150.61**	**-**	**522.72**	**13.30**	**421.61**	**30.20**	**8.97**	**1147.41**
Year ended March 31, 2021								
Gross carrying amount as at April 01, 2020								
Opening gross carrying amount	150.61	-	595.80	19.58	554.49	46.53	15.96	1,382.97
Exchange differences	0.33	-	7.66	(0.84)	(6.39)	1.51	(0.05)	2.22
Additions	0.14	-	49.41	2.96	48.44	3.88	3.20	108.03
Other adjustments	-	-	-	-	(1.37)	-	-	(1.37)
Disposals	-	-	(0.13)	(0.95)	(4.08)	(1.80)	(0.03)	(6.99)
Transfer	0.03	-	34.81	0.27	3.95	4.24	0.17	43.47

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment (Contd..)

Particulars	Land	Leasehold Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Closing gross carrying amount as at March 31, 2021	**151.11**	**-**	**687.55**	**21.02**	**595.04**	**54.36**	**19.25**	**1,528.33**
Accumulated depreciation								
Opening accumulated depreciation as at April 01, 2020	0.00	-	73.08	6.28	132.88	16.33	6.99	235.56
Depreciation charge for the year	-	-	27.76	2.02	41.81	7.24	3.47	82.30
Transfer	-	-	0.06	-	0.22	0.06	-	0.34
Disposals*	-	-	(0.08)	-	(1.75)	(1.63)	(0.02)	(3.48)
Exchange differences*	-	-	0.44	(0.35)	(2.69)	(0.22)	(0.05)	(2.87)
Closing accumulated depreciation as at March 31, 2021	**0.00**	**-**	**101.26**	**7.95**	**170.47**	**21.78**	**10.39**	**311.85**
Net carrying amount as at March 31, 2021	**151.11**	**-**	**586.29**	**13.07**	**424.57**	**32.58**	**8.86**	**1,216.48**
Capital Work-in-Progress as at March 31, 2021								**282.37**
Capital Work-in-Progress as at March 31, 2020								**152.23**

[1] Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Group as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Group.

The above property, plant and equipments are subject to first pari passu charge on the non current loans from banks and second Pari Passu charge on the working capital loans, both present and future(refer note 14A).

The amount of borrowing costs capitalised during the year ended March 31, 2021 was ₹ 4.87 (March 31, 2020: ₹ 2.06). The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.64%, which is the effective interest rate of the borrowing made specifically to acquire/ constructing the qualifying assets (refer note 25).

Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur pertaining to protected forest land.

*Amount is less than ₹ 0.01 as at March 31, 2021 and at March 31, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill

Impairment test for goodwill

Goodwill acquired through business combination has been considered for impairment testing.

Carrying amount of goodwill is:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**9.87**	**8.63**
Foreign currency exchange gain/(loss)	(0.31)	0.77
Arising on acquisition of Laghe Venture Company Limited	-	0.47
Balance at the end of the year	**9.56**	**9.87**

"The recoverable value of Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (''SPMS") ₹ 4.53, Solar Mining Services Pty Ltd -Australia ('SMS-Aus') ₹ 3.39 and Laghe Venture Company Limited ('LVC') ₹ 0.47 as at March 31, 2021, for impairment assessment has been calculated based on value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a four-year period.

Long-term growth rate for cash flows beyond three years have been considered in the range of 1% - 2%.

As a result of this analysis, management has concluded the recoverable value of CGUs exceed the carrying value of CGU (including goodwill).

Key assumptions used for value in use calculation and their sensitivity to changes

1. Sales growth rate

2. Discount rates

Sales growth rate: Sales growth rate has been considered at an average annual growth rate over the four-year forecast period; based on past performance and management's expectation of market development.

Discount rates - Discount rates represent the current market assessment of the risks specific to SPMS, SMS-Aus and LVC, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in cash flow estimates. The discount rate calculation is based on specific circumstances of the Group, SPMS and SMS-Aus and LVC is derived from its weighted average cost of capital (WACC) of each of the entities. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the entity's investors. The cost of debt is based on the interest bearing borrowings the entity is obliged to service. Adjustments to discount rates are made to factor to specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

The Management has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of SPMS and SMS-Aus and LVC CGUs to exceed its recoverable amount.

The remaining amount of goodwill of ₹ 0.71 (March 31, 2020 ₹ 0.71) (relating to different CGUs individually immaterial) have been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of the CGUs exceeded their carrying amounts.

Note 3C : Other Intangible Asset and Intangible assets under development

Particulars	Software & License	Product Development Cost	Others	Total
Year ended March 31, 2020				
Gross carrying amount				
Gross carrying amount as at April 01, 2019[1]	2.64	7.81	25.46	35.91
Addition	0.68	3.83	5.74	10.25
Gross carrying amount as at March 31, 2020	**3.32**	**11.64**	**31.20**	**46.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset and Intangible assets under development (Contd..)

Particulars	Software & License	Product Development Cost	Others	Total
Accumulated amortisation				
Opening accumulated amortisation as at April 01, 2019	0.77	1.26	4.37	6.40
Amortisation for the year	0.42	2.01	2.96	5.39
Accumulated amortization as at March 31, 2020	**1.19**	**3.27**	**7.33**	**11.79**
Net carrying amount as at March 31, 2020	**2.13**	**8.37**	**23.87**	**34.37**
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2020	3.32	11.64	31.20	46.16
Addition	2.24	4.34	2.34	8.92
Gross carrying amount as at March 31, 2021	**5.56**	**15.98**	**33.54**	**55.08**
Accumulated amortisation				
Opening accumulated amortisation as at April 01, 2020	1.19	3.27	7.33	11.79
Amortisation for the year	0.76	2.61	3.43	6.80
Accumulated amortization as at March 31, 2021	**1.95**	**5.88**	**10.76**	**18.59**
Net carrying amount as at March 31, 2021	**3.61**	**10.10**	**22.78**	**36.49**
Intangible assets under development as at March 31, 2021				**10.51**
Intangible assets under development as at March 31, 2020				**12.74**

[1]Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Group as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Group.

[2]Others represents Cast Booster Technical know-how for limited period of 5 Years and Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for limited period of 10 years.

Note 3D Leases

Group as Lessee

The Group has lease contracts for Office buildings, Leasehold land, Warehouse and Vehicles. Leases of office building generally have lease terms between 2 and 10 years, leasehold land generally have lease terms between 30 and 99 years, warehouse generally have lease terms between 1 and 5 years, vehicles generally have lease terms between 2 and 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2020						
As at 1 April 2019	1.50	5.69	4.17	-	1.49	12.85
Additions	2.47	6.49	-	-	0.49	9.45
Foreign exchange adjustments	(0.30)	(0.06)	(0.20)	-	0.01	(0.55)
Depreciation	(1.30)	(0.24)	(2.20)	-	(1.11)	(4.85)
As at March 31 2020	**2.37**	**11.88**	**1.77**	**-**	**0.88**	**16.90**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 3D Leases (Contd..)

Group as Lessee (Contd..)

A. Right-of-use assets (Contd..)

Particulars	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2021						
As at April 01, 2020	2.37	11.88	1.77	-	0.88	16.90
Additions	1.99	5.02	9.16	0.03	3.07	19.27
Foreign exchange adjustments	(0.05)	0.73	(0.07)	(0.00)	(0.38)	0.23
Disposals	(0.41)	(0.58)	(5.81)	-	-	(6.80)
Depreciation	(1.23)	(0.77)	(1.03)	(0.01)	(1.56)	(4.60)
As at March 31, 2021	**2.67**	**16.28**	**4.02**	**0.02**	**2.01**	**25.00**

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	March 31, 2021	March 31, 2020
As at April 01, 2020	**12.70**	**9.68**
Additions	1.18	8.72
Accretion of interest	1.84	1.56
Foreign exchange adjustments	12.06	(1.58)
Payments	(6.36)	(5.68)
As at March 31, 2021	**21.42**	**12.70**
Current	4.82	4.02
Non-current	16.60	8.68

The maturity analysis of lease liabilities are disclosed in Note 33

The effective interest rate for lease liabilities is 6.24 % to 24 %, with maturity between 2020-2099

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	4.60	4.85
Interest expense on lease liabilities	1.84	1.56
Expense relating to short-term leases (included in other expenses)	10.70	7.31
Total amount recognised in profit or loss	**17.14**	**13.72**

The Group had total cash outflows for leases of ₹ 17.06 in March 31, 2021 (₹ 13.24 in March 31, 2020).

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments

Non-current investments

Particulars	Face value	Number of Shares/Units		Amount	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Unquoted					
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Pvt Ltd	₹ 10	4,90,000	4,90,000	0.49	0.49
Solar Bhatgaon Extension Mines Pvt Ltd	₹ 10	4,90,000	4,90,000	0.49	0.49
Provision for impairment				(0.98)	(0.98)
				-	-
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.11	0.11
Bravo Business Agency SARL	USD 100	20	20	0.01	0.01
				0.12	**0.12**
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.77	2.14
Quoted					
Investment in Mutual Fund (Quoted)					
ICICI Prudential Liquid Direct Plan		-	2,484.71	-	0.07
ICICI Prudential Short Term fund Direct Plan		15545.43	-	0.08	-
				0.85	**2.21**
Aggregate amount of Investments				**0.97**	**2.33**
Aggregate amount of impairment in value of investments				(0.98)	(0.98)

Current investments

Particulars	Face value	Number of Shares/Units		Amount	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Quoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
IDFC Limited	₹ 10	-	10,900	-	0.02
Edserv Soft Systems Ltd.	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.	₹ 1	5,000	5,000	-	-
Aggregate amount of quoted investments and market value thereof (refer note 33)				-	**0.02**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Loans

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 30C)	-	15.25	-	15.77
- Employees	1.31	-	1.98	-
- Others	2.57	-	2.88	-
Security Deposits and Earnest Money Deposits	0.29	5.45	0.81	5.35
Total loans	**4.17**	**20.70**	**5.67**	**21.12**

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.

2. Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party.

Note 6 : Other financial assets

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 32)	0.53	-	2.05	-
	0.53	**-**	**2.05**	**-**
Derivative Instruments at fair value through OCI				
Interest rate swaps (refer note 32)	0.51	-	-	-
	0.51	**-**	**-**	**-**
Others				
State Government Incentive Receivables	59.96	81.81	84.04	21.56
Other deposits	-	0.33	-	0.27
Interest accrued from Others	0.08	-	0.13	-
Interest accrued from related party (refer note 30C)	-	2.74	-	1.64
Interest accrued but not due on fixed deposit	0.17	-	0.37	-
Others	1.22	-	-	-
	61.43	**84.88**	**84.54**	**23.47**
	62.47	**84.88**	**86.59**	**23.47**

Note:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange option/forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

Note 7 : Trade receivables

Particulars	March 31, 2021	March 31, 2020
Trade receivables	525.04	408.89
Less: Impairment allowance	(69.56)	(38.57)
	455.48	**370.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables (Contd..)

Break-up of security details

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	6.37	17.66
Unsecured considered good	482.84	382.80
Trade Receivables - credit impaired	35.83	8.43
	525.04	**408.89**
Impairment allowance		
Unsecured, considered good	(33.73)	(30.14)
Trade Receivables - credit impaired	(35.83)	(8.43)
	(69.56)	**(38.57)**
	455.48	**370.32**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

Note 8. Cash and Bank balances

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents		
Balances with banks		
in current accounts	169.06	29.70
Deposit with Bank	0.05	0.04
Cheque on hand	-	0.45
Funds in transit #	-	61.69
Cash in hand	0.82	0.68
	169.93	**92.56**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	4.74	7.99
Balances with Bank held as margin money against bank guarantee & other commitments	6.48	19.53
Earmarked balances with banks*	0.05	0.06
	11.27	**27.58**
Total cash and bank balances	**181.20**	**120.14**

*The Holding company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by subsidiary company credited in the bank account subsequently

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 9A: Deferred tax Assets

The balance comprises temporary differences attributable to:

Particulars	March 31, 2021	March 31, 2020
Allowance for doubtful debts - trade receivables	2.04	1.92
MAT credit	0.46	0.46
Property, plant and equipments	2.17	0.32
Tax Losses	57.63	42.17
Lease liabilities	4.16	1.84
Employee benefit obligations	0.33	-
Other	3.50	4.82
	70.29	**51.53**

Reconciliation of deferred tax assets:

Particulars	March 31, 2021	March 31, 2020
Opening balance	**51.53**	**29.11**
Tax income/(expense) during the period recognised in statement of profit or loss	18.76	22.42
Tax income/(expense) during the period recognised in other comprehensive income*	-	0.00
Closing balance	**70.29**	**51.53**

*Amount is less than ₹ 0.01 as at March 31, 2020

Note 10: Inventories

Particulars	March 31, 2021	March 31, 2020
Raw materials and packing materials (Includes stock in transit of ₹ 69.93 (March 31, 2020 : ₹. 20.40)	240.72	163.21
Work-in-progress	31.47	27.24
Finished goods (Includes stock in transit of ₹ 5.80 (March 31, 2020 :₹ 4.35))	62.25	50.29
Stock-in-trade (Includes stock in transit of ₹ 10.12 (March 31, 2020 :₹ 14.23))	88.85	70.94
Stores and spares (Includes stock in transit of ₹ 0.59 (March 31, 2020 : ₹ 0.51))	16.42	18.07
Project inventory-in-progress	0.78	1.23
	440.49	**330.98**

During the year ended March 31 2021, ₹ 2.28 (March 31 2020: ₹ Nil) was recognised as an expense on account of impairment of inventory.

Note 11: Other assets

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	15.84	-	37.95
Prepayments	20.82	-	7.35	-
Advances to suppliers for goods & services	32.33	0.13	17.24	-
Advances to staff	0.83	-	0.52	-
Balances with revenue authorities	25.71	9.16	42.52	8.87
Other receivables	2.16	-	2.15	-
	81.85	**25.13**	**69.78**	**46.82**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital

Particulars	Number of Shares		Amount	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

(a) Movements in equity share capital

Particulars	Number of Shares	Amount
As at March 31, 2019	9,04,90,055	18.10
As at March 31, 2020	9,04,90,055	18.10
As at March 31, 2021	**9,04,90,055**	**18.10**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

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

Name of the shareholder	% holding		No of shares	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Shri Manish Nuwal	27.88%	27.88%	2,52,32,069	2,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
Shri Satyanarayan Nuwal	14.63%	14.63%	1,32,38,254	1,32,38,254
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
SBI Equity Hybrid Fund	-	5.94%	-	53,75,788
SBI Focused Equity Fund	7.37%	-	66,68,863	-

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

Note 12A. Other equity

Securities premium	
As at April 01, 2019	**149.13**
Movement for the year 2019-20	-
As at March 31, 2020	**149.13**
Movement for the year 2020-21	-
As at March 31, 2021	**149.13**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

Retained earnings	
As at April 01, 2019	**573.99**
Add : Profit for the year	267.43
Less : Transfer to general reserve	(80.15)
Less : Remeasurement loss on defined benefit plans	(0.08)
Less : Effect of adoption of Ind AS 116 Leases (Refer note 2.3)	(0.60)
Less : Final Dividend	(63.34)
Less : Tax on Final Dividend	(13.02)
As at March 31, 2020	**684.23**
Add : Profit for the year	276.35
Less : Transfer to general Reserve	(75.00)
Less : Remeasurement loss on defined benefit plans	(0.14)
Less : Purchase of additional stake in subsidiary	(10.80)
Less : Final Dividend	(54.29)
As at March 31, 2021	**820.35**

Capital reserve	
As at April 01, 2019	**16.54**
Movement for the year 2019-20	-
As at March 31, 2020	**16.54**
Movement for the year 2020-21	-
As at March 31, 2021	**16.54**

General reserve	
As at April 01, 2019	**571.90**
Add : Transfer from retained earnings	80.15
As at March 31, 2020	**652.05**
Add : Transfer from retained earnings	75.00
As at March 31, 2021	**727.05**

Cash flow hedge reserve	
As at April 01, 2019	**(0.17)**
Add : Net movement in Cash Flow Hedges	(0.24)
As at March 31, 2020	**(0.41)**
Add : Net movement in Cash Flow Hedges	0.88
As at March 31, 2021	**0.47**

Foreign currency translation reserve	
As at April 01, 2019	**(91.16)**
Add : Exchange differences on translation of foreign operations	(48.39)
As at March 31, 2020	**(139.55)**
Add : Exchange differences on translation of foreign operations	(12.68)
As at March 31, 2021	**(152.23)**

Total other equity	
As at April 01, 2019	**1,220.23**
Movement for the year 2019-20	141.76
As at March 31, 2020	**1,361.99**
Movement for the year 2020-21	199.32
As at March 31, 2021	**1,561.31**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

Nature and purpose of reserves

1 Securities premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2 Capital reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

3 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

4 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit and loss when the hedged item affects profit and loss (e.g. interest payments).

5 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

6 Retained Earnings

Retained earnings are the profits that the Group has earned till date, less transfers to General Reserve and payment of dividend.

12B. Distribution made and proposed

Particulars	March 31, 2021	March 31, 2020
Final dividend for the year ended on March 31, 2020: ₹ 6 per share (March 31, 2019 ₹ 7 per share)	54.29	63.34
DDT on final dividend	-	13.02
	54.29	76.36
Proposed dividends on Equity shares *		
Final cash dividend for the year ended on March 31,2021: ₹ 6 per share (March 31, 2020: ₹ 6 per share)	54.29	54.29
	54.29	**54.29**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

"With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient."

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 13. Non-current borrowings

Particulars	March 31, 2021	March 31, 2020
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	13.00	40.36
Term loan	549.12	277.06
Interest accrued but not due	1.03	1.25
Sales tax deferral loan	0.23	0.36
Deferred Purchase Consideration	27.63	33.38
From Others		
Foreign currency loan	4.17	-
	595.18	**352.41**
Less: Amount shown under "Other current financial liabilities" (refer note 16A)		
Current maturities of long-term debt	(158.91)	(97.96)
Interest accrued but not due on non-current borrowings	(3.06)	(1.65)
	433.21	**252.80**

Note 14: Current borrowings

Particulars	March 31, 2021	March 31, 2020
Secured at amortised cost		
From banks		
Foreign currency working capital loan	5.52	25.37
Working capital loan	91.70	265.03
Interest accrued but not due	0.04	0.10
Unsecured		
From banks		
Working capital loan	96.76	64.24
From others		
Foreign currency loan	0.24	4.31
	194.26	**359.05**
Less: Amount shown under "Other current financial liabilities" (refer note 16A)		
Interest accrued but not due on current borrowings	(0.24)	(1.68)
	194.02	**357.37**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 14A: Maturity profile

Maturity profile of Non current Borrowing

Particulars	Maturity date	Terms of repayment	March 31, 2021	March 31, 2020
Secured				
Foreign currency term loan from Bank	August 31, 2021	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	13.00	40.36
Rupee Term Loan from Bank	September 13, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	50.00	50.00
Rupee Term Loan from Bank	August 31, 2025	Repayable in twenty quarterly instalments	42.40	-
Indian rupee term loan	December 17, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	50.00	50.00
Indian rupee term loan	August 01, 2021	Repayable in eight quarterly installment starting after moratorium period of 12 months	25.00	75.00
Indian rupee term loan	December 21, 2023	Repayables in eight equal quarterly installment after 1 year moratorium	32.91	-
Local currency loan (South African Rand)	September 26, 2022	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	32.60	34.05
Local currency loan (South African Rand)	March 03, 2025	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	12.27	5.65
Local currency loan (Turkish Lira)	February 20, 2022	Single repayment at the end of the term	3.18	1.83
Local currency loan (USD)	March 15, 2026	10 six monthly installments commencing from September 15, 2021	204.81	60.53
Local currency loan (USD)	December 31, 2023	3 Annual installments commencing from 31st December 2021	95.95	-
Unsecured				
Deferred purchase consideration	November 01, 2027	Quarterly payments commencing from April 2018 for 10 years	27.63	33.38
Other	Mutual consent	Mutual consent	4.17	-
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.23	0.36
			594.15	**351.16**
Interest accrued but not due			1.03	1.25
			595.18	**352.41**

The above foreign currency term loan from Banks carries an interest rate of LIBOR+ 100 bps to 212 bps

The Indian rupee long term from bank carries an interest rate of 1 year MCLR to 1 yr MCLR + 25bps

The Indian rupee long term from bank are linked to repo rate with a spread of 250 to 300 BPS

Loan taken by overseas subsidiaries are taken at interest rate of 3 month LIBOR+250 bps to 9.5 %, some loans are taken at 3 month JIBAR+340bps to 3 month JIBAR+365bps

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 14A: Maturity profile (Contd..)

Maturity profile of Current Borrowing

Particulars	Maturity date	Terms of repayment	March 31, 2021	March 31, 2020
Secured				
Indian Rupee working capital loan from Bank	April 9, 2020	Single repayment at the end of the term	-	8.33
Indian Rupee working capital loan from Bank	April 9, 2020	Single repayment at the end of the term	-	5.00
Indian Rupee working capital loan from Bank	April 13, 2020	Single repayment at the end of the term	-	5.00
Cash Credits from Bank	On Demand	Single repayment at the end of the term	-	2.98
Cash Credits from Bank	On Demand	Single repayment at the end of the term	-	2.43
Indian rupee working capital loan from Bank	April 09, 2020	Single repayment at the end of the term	-	10.00
Indian rupee working capital loan from Bank	April 13, 2020	Single repayment at the end of the term	-	9.00
Indian rupee working capital loan from Bank	April 15, 2021	Single repayment at the end of the term	25.00	-
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	-	9.15
Foreign Currency Loan (USD)	June 30, 2020	Single repayment at the end of the term	-	15.42
Foreign Currency Loan (USD)	June 30, 2021	Single repayment at the end of the term	5.40	-
Foreign Currency Loan (USD)	May 29, 2020	Single repayment at the end of the term	-	1.51
Foreign Currency Loan (USD)	June 30, 2020	Single repayment at the end of the term	-	0.52
Foreign Currency Loan (USD)	June 30, 2021	Single repayment at the end of the term	0.12	-
Local Currency Loan (USD)	June 30, 2020	Single repayment at the end of the term	-	114.34
Local Currency Loan (USD)	Various from June 2020 to September 2020	Single repayment at the end of the term	-	30.26
Local Currency Loan (USD)	June 12, 2021	Single repayment at the end of the term	29.26	-
Local Currency Loan (USD)	February 24, 2021	Single repayment at the end of the term	-	37.88
Local Currency Loan (USD)	June 12, 2021	Single repayment at the end of the term	36.52	-
Local Currency Loan (Nigerian Naira)	April 14, 2020	Single repayment at the end of the term	-	1.02
Local Currency Loan (Turkish Lira)	February 24, 2021	Single repayment at the end of the term	-	1.77
Local Currency Loan (Turkish Lira)	November 20, 2020	Single repayment at the end of the term	-	2.46
Local Currency Loan (Turkish Lira)	April 2020	Single repayment at the end of the term	-	0.05
Local Currency Loan (Turkish Lira)	April 2021	Single repayment at the end of the term	0.13	-
Local Currency Loan (Turkish Lira)	February 18, 2022	Single repayment at the end of the term	0.79	-
Foreign Currency Loan (USD)	On demand	On demand	-	7.93
Local Currency Loan (South African Rand)	On demand	On demand	29.60	25.35
Local Currency Loan (Turkish Lira)	On demand	On demand	25.08	30.79
Local Currency Loan (South African Rand)	On demand	On demand	22.08	18.45
Indian Rupee working capital loan from Bank	April 17, 2020	Single repayment at the end of the term	-	15.00
Indian Rupee working capital loan from Bank	April 20, 2021	Single repayment at the end of the term	20.00	-
Loan from others (Foreign Currency Loan (USD))	Mutual consent	Mutual consent	0.24	0.23
Loan from others (Foreign Currency Loan (USD))	Mutual consent	Mutual consent	-	4.08
			194.22	**358.95**
Interest accrued but not due			0.04	0.10
			194.26	**359.05**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 14A: Maturity profile (Contd..)

Maturity profile of Current Borrowing

The Indian rupee working capital loan from Bank carries rate of 4.00 to 8.75 %

Loans taken by overseas subsidiaries are taken at interest rate of LIBOR+ 125 to LIBOR+ 700 and certain loans are from 7 % to 18.50 % and a loan is at 3 month JIBAR+290bps

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable property, plant and equipment and second pari passu charge on the Group's current asset. Working capital loans have first Pari Passu charge on Group's entire current asset, both present and future and second Pari Passu charge on Group's entire property, plant and equipment assets, both present and future.

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio and debt service coverage ratio (DSCR). The Group has satisfied all debt covenants prescribed in the terms of bank loans.

The other loans do not carry any debt covenants. The Group has not defaulted on any loans payable.

Note 15 : Trade payables

Particulars	March 31, 2021	March 31, 2020
Trade payables *	231.01	145.43
Acceptances #	55.05	8.99
Trade payables to related parties (refer note 30C)	0.02	0.01
	286.08	**154.43**

*Trade payables are non-interest bearing and are normally settled within 0 to 60 days term.

For explanations on the Group's credit risk management processes, refer to Note 33.

Acceptances represents credit availed by the group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within six months to one year.

Note 16A : Other current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Derivative Instruments at fair value through OCI		
Fair valuation of derivative contracts (refer note 32)	0.10	0.62
	0.10	**0.62**
Other financial liabilities at amortised cost		
Current maturities of long-term debt (refer note 13)	158.91	97.96
Interest accrued on non-current borrowings (refer note 13)	3.06	1.65
Interest accrued on current borrowings (refer note 14)	0.24	1.68
	162.21	**101.29**
Others		
Capital creditors	10.67	12.27
Employees related payable (including labour related)	25.22	19.13
Liabilities towards trade discounts	13.86	16.21
Lease Liability (refer note 3E)	4.82	4.02
Unclaimed dividend	0.05	0.06
Other payable	0.02	-
	54.64	**51.69**
	216.95	**153.60**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 16B : Other non-current financial liabilities

Particulars	March 31, 2021	March 31, 2020
Lease Liability (refer note 3D)	16.60	8.68
Capital creditors	1.04	0.31
	17.64	**8.99**

Note 17: Other current liabilities

Particulars	March 31, 2021	March 31, 2020
Statutory dues payables	21.09	33.33
Other current liabilities	0.45	0.33
Contract liabilities	72.17	21.31
	93.71	**54.97**

Note 18 : Provisions

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity	2.66	0.91	1.62	1.92
Provision for leave encashment	8.15	-	6.92	-
	10.81	**0.91**	**8.54**	**1.92**

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2021 and March 31, 2020 are :

Consolidated Statement of profit and loss:

Profit and loss section

Particulars	March 31, 2021	March 31, 2020
Current income tax:		
Current income tax charge	127.50	95.37
Adjustment of tax relating to earlier periods	(1.18)	0.04
Deferred tax:		
Relating to Change in tax rate#	-	(32.77)
Relating to origination and reversal of temporary differences	(17.29)	(5.51)
Tax expense reported in the statement of profit and loss	**109.03**	**57.13**

OCI section

Deferred tax related to items recognised in OCI during the year:

Particulars	March 31, 2021	March 31, 2020
Net gain/(loss) on cash flow hedges	0.15	(0.09)
Net (loss)/gain on remeasurements of defined benefit plans*	(0.07)	(0.00)
Exchange difference on translation of foreign operations	10.75	(5.55)
Income tax charged to OCI	**10.83**	**(5.64)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

Consolidated Statement of profit and loss: (Contd..)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax	397.10	335.80
Computed expected tax expense @ standard tax rate in India	103.94	90.45
Effect of:		
Corporate social responsibility expenditure and donation	3.35	1.40
Research and development expense	-	(0.18)
Tax incentives	(3.07)	(5.59)
Leases	0.24	-
Income tax for earlier years*	(1.18)	(0.00)
Tax loss on which deferred tax not recognised	3.48	3.92
Effect of permanent differences between book base and tax base	2.93	-
Relating to Change in tax rate	(1.27)	(30.47)
Others	0.61	(2.40)
Total income tax expense	**109.03**	**57.13**

* Amount is less than ₹ 0.01 as at March 31, 2020

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

Particulars	March 31, 2021	March 31, 2020
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	139.46	127.83
Currency translation losses	4.56	3.66
Leases	4.98	-
Derivative Instruments at fair value through profit or loss	0.12	0.36
	149.12	**131.85**
Deferred tax Assets		
Unclaimed tax credit	(9.81)	(16.92)
Financial assets at fair value through profit or loss	(0.11)	(0.05)
Provision for investments in associates	-	(0.25)
Provision towards trade receivables	(8.57)	(4.21)
Set off of deferred tax liabilities	(9.67)	(3.18)
Provision for advances w/off	(0.04)	(0.05)
Provision for discounting of Non current Asset	(3.50)	(0.94)
Employee Benefits	(1.00)	(1.39)
	(32.70)	**(26.99)**
Net deferred tax (assets)/liabilities	**116.42**	**104.86**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

Reconciliation of deferred tax liability:

Particulars	March 31, 2021	March 31, 2020
Opening balance	**104.86**	**119.47**
Tax (income)/expense during the period recognised in statement of profit or loss	3.49	(11.54)
Tax (income)/expense during the period recognised in other comprehensive income	0.97	(5.64)
Utilisation of unused tax credit	7.10	2.57
Closing balance	**116.42**	**104.86**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2021 and March 31, 2020, the Company has paid dividend to its shareholders. For the year ended March 31, 2020 this has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

#The Holding Company has adopted the option of lower tax rate as provided in the Taxation Law Amendment Ordinance, 2019 and consequent impacts on tax expense have been considered for the year ended March 31, 2020.

Note 20 : Revenue from operations

Particulars	March 31, 2021	March 31, 2020
Sale of products (Refer note 36)	2,441.92	2,165.43
Other operating revenue*	73.71	71.87
	2,515.63	**2,237.30**

The Company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*Includes accrual of income under Package Scheme of Incentives of ₹ 60.05 (previous year ₹ 50.81) and reimbursement of provident fund under Package Scheme of Incentives of ₹ 1.07 (previous year ₹ 3.21)

Note 21 : Other income

Particulars	March 31, 2021	March 31, 2020
Interest income		
On financial assets carried at amortised cost		
from others	1.75	1.34
On deposits with bank	0.98	2.19
Interest on tax refund*	0.00	0.11
Profit on sale of investments carried at fair value through profit or loss	0.58	0.94
Dividend income from equity investments designated at fair value through Profit and loss	0.08	-
Net gain on disposal of property, plant and equipment	0.65	0.11
Net gain on foreign currency transaction and translation	9.01	33.01
Discount Received	1.06	-
Bad Debts recovered	1.96	-
Excess provision of Interest on Income Tax written back	-	1.08
Miscellaneous income	5.35	2.27
	21.42	**41.05**

*Amount is less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 22A : Cost of materials consumed

Particulars	March 31, 2021	March 31, 2020
Raw materials and packing material at the beginning of the year	163.21	168.71
Add: Purchases during the year	1,262.59	1,098.28
Less: Raw material and packing material at the end of the year	(240.72)	(163.21)
	1,185.08	**1,103.78**

Note 22B : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	March 31, 2021	March 31, 2020
Opening balance		
Work-in progress	27.24	21.09
Finished goods	50.29	41.56
Stock in trade	70.94	34.65
	148.47	**97.30**
Closing balance		
Work-in progress	31.47	27.24
Finished goods	65.83	41.26
Stock in trade	88.85	70.94
	186.15	**139.44**
	(37.68)	**(42.14)**

Note 23 : Employee benefit expense

Particulars	March 31, 2021	March 31, 2020
Salaries and wages (including bonus)	147.40	126.50
Remuneration to directors	8.67	10.67
Contribution to provident and other funds	8.83	8.95
Staff welfare expenses	5.48	3.49
Total - A	**170.38**	**149.61**
Labour charges (including bonus)	60.26	57.01
Total - B	**60.26**	**57.01**
Total expense (A+B)	**230.64**	**206.62**

Note 24 : Other expenses

Particulars	March 31, 2021	March 31, 2020
Consumption of stores and spares	13.35	14.52
Repairs and maintenance :		
Plant and machinery	7.52	8.21
Buildings	4.04	4.30
Others	10.65	9.91
Water and electricity charges	32.12	30.64
Rates and taxes	8.09	5.66
Legal and professional fees	22.10	18.74
Travelling and conveyance	11.08	17.25
Sales commission expenses	15.28	14.17
Freight and forwarding charges	117.80	96.49
Transportation charges	27.76	23.21
Pump truck expenses	9.12	9.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses (Contd..)

Particulars	March 31, 2021	March 31, 2020
Security service charges	8.57	11.87
Sales promotion expenses	8.20	12.28
Testing Charges	4.12	11.66
Donations	12.21	3.27
Advertisement expenses	14.50	16.41
Advance/ Investment written off*	0.00	0.20
Impairment of Inventory	2.28	-
Directors' sitting fees	0.22	0.22
Exchange differences (net)	-	0.05
Bad debts written-off	0.28	0.97
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.81	0.22
Impairment loss on financial assets	34.25	17.45
Corporate social responsibility expenditure	6.61	6.12
Consultancy charges	1.97	1.14
Miscellaneous expenses (mainly includes bank charges, information technology, insurance, factory, communication, office expenses etc.)	50.69	46.77
	423.62	**381.36**

*Amount is less than ₹ 0.01

Notes 25 : Finance costs

Particulars	March 31, 2021	March 31, 2020
Interest on borrowings*		
To banks#	37.34	47.70
To others	6.21	2.98
Interest on lease liabilities	1.84	1.56
Exchange differences regarded as an adjustment to borrowing cost*	-	2.80
	45.39	**55.04**

*Net of borrowing cost capitalised (refer note 3A)

Includes relating hedge cost

Note 26 : Depreciation and amortization expense

Particulars	March 31, 2021	March 31, 2020
Depreciation of property, plant & equipments (refer note 3A)	82.30	74.85
Depreciation - Right-of-use Asset (refer note 3D)	4.60	4.85
Amortization of intangible assets (refer note 3C)	6.79	5.39
Less : Transfer to intangible asset under development	(0.16)	(0.56)
	93.53	**84.53**

Note 27 : Earnings per share (EPS)

Particulars	March 31, 2021	March 31, 2020
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS	276.35	267.43
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (₹)	**30.54**	**29.55**
Nominal value of shares (₹)	**2.00**	**2.00**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The holding company and some of its Indian Subsidiaries operates a defined benefit gratuity plan namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Holding company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme. Further one of the subsidiary in the group makes contribution to Economic Explosives Limited employee group gratuity assurance scheme.

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognised in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense recognized in statement of Profit and Loss

Particulars	March 31, 2021	March 31, 2020
Net Service cost	1.46	1.34
Net interest cost	0.06	0.12
	1.52	**1.46**

Other Comprehensive Income

Particulars	March 31, 2021	March 31, 2020
Opening balance recognized in OCI	-	-
Actuarial gain / (loss) on liabilities	(0.30)	0.08
Actuarial gain / (loss) on assets	0.10	(0.16)
Closing balance recognized in OCI	**(0.20)**	**(0.08)**

The amount recognized in Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present value of funded obligations	20.22	17.70
Fair value of plan assets	17.65	14.16
Net defined benefit liability / (assets) recognized in balance sheet*	**2.57**	**3.54**

* Amount is including ₹ 1 cr prepayment made by Solar Industries India Limited

Change in Present Value of Obligations

Particulars	March 31, 2021	March 31, 2020
Opening of defined benefit obligations	17.70	15.72
Service cost	1.84	1.83
Interest Cost	0.90	1.02
Benefit Paid	(0.52)	(0.80)
Actuarial (Gain)/Loss on total liabilities	0.30	(0.07)
Closing of defined benefit obligation	**20.22**	**17.70**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

Post-employment obligations (Contd..)

Change in Fair Value of Plan Assets

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	14.16	11.93
Actual Return on Plan Assets	0.94	0.75
Employer Contribution	3.07	2.28
Benefit Paid	(0.52)	(0.80)
Closing fair value of plan assets	**17.65**	**14.16**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	March 31, 2021	March 31, 2020
Investments with insurer (LIC)	81%	88%
Investments with insurer (ICICI)	19%	12%

The significant actuarial assumptions were as follows :

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.25% to 6.53% p.a.	5.66% to 6.65% p.a.
Rate of increase in Compensation levels	5.00%	(Nil for the current year, from next year onward it is 5% p.a.)
Rate of Return on Plan Assets	5.66% to 6.65% p.a.	7.62% to 7.63% p.a.

The estimates of future salary increases, considered in actuarial valuation, takes into consideration inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Acturial asumptions

The expected contribution for definded benefit plan for the next finanacial year will be in line with financial year 2020-21.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

Particulars	March 31, 2021	Impact (Absolute)	Impact (%)
Base Liability	20.22		
Increase Discount Rate by 0.50%	19.86	(0.36)	-1.77%
Decrease Discount Rate by 0.50%	20.60	0.38	1.90%
Increase Salary Inflation by 1%	21.06	0.84	4.16%
Decrease Salary Inflation by 1%	19.47	(0.74)	-3.68%
Increase in Withdrawal Assumption by 5%	20.60	0.38	1.88%
Decrease in Withdrawal Assumption by 5%	19.66	(0.56)	-2.77%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and attrition rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies

Capital Commitments

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	44.94	56.63

Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
Claims against the Group not acknowledged as debts (refer note a)		
Excise related matters	6.35	4.74
Sales tax / VAT related matters	3.55	3.52
Provident Fund related matter	0.15	0.15
Advance License Import and Export obligation	0.37	-

Note a:

The Group is contesting the demands.The management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Note b :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Lease Commitments

The group has taken certain assets on lease for a term generally ranging for a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

Particulars	March 31, 2021	March 31, 2020
Lease payments recognised during the year	5.82	6.30
Within one year	4.90	5.32
Later than one year but not later than five years	16.68	6.39
More than five years	-	24.96

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures

A Names of related parties and related party relationship :

I Associates

SMS Bhatgaon Mines Extension Private Limited *

Solar Bhatgoan Extension Mines Private Limited *

II Entities with Joint control or significant influence over the entity

ASTRA Resources Pty Limited

III Key Management Personnel (KMP) (Holding Company)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Kailashchandra Nuwal (Vice Chairman and Executive Director)
(Vacated the office of Director and Key Managerial Personnel (KMP) of the Company w.e.f. November 07, 2019) (refer note 30D)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Anil Kumar Jain (Executive Director)

Shri Nilesh Panpaliya (Chief Financial Officer) (Resigned from the position of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021)

Shri Moneesh Agrawal (Appointed as Joint Chief Financial Officer on May 27, 2021)

Mrs. Shalinee Mandhana (Appointed as Joint Chief Financial Officer on May 27, 2021)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III A Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Smt Seemadevi Nuwal

IV Non Executive Independent Directors**

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Shri Sunil Srivastav

Smt. Madhu Vij (upto 16th Sept 2020)

Smt. Sujitha Karnad (Appointed as an Additional Director (Non-Executive Independent Director) through circular resolution dated 15th December, 2020)

**Non Executive Independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2020-21.

The Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

A Names of related parties and related party relationship (Contd..)

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

Solar Synthetics Private Limited

VI Other related parties

Post employment benefit plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

Refer to Note 28 for information on transactions with post employment benefit plans mentioned above

Note:

*The entity are under process of striking off

B. Transactions with related parties during the year

Nature of Transaction	March 31, 2021	March 31, 2020
Purchase of raw material and components		
Solar Synthetics Private Limited	0.03	0.03
Total	**0.03**	**0.03**
Other Expenditure		
Solar Synthetics Private Limited	0.18	0.15
Total	**0.18**	**0.15**
Rent paid		
Solar Synthetics Private Limited	0.04	0.07
AG Technologies Pvt. Ltd. (Rent) (refer note 30D)	-	0.32
Smt. Indiradevi Nuwal	-	0.01
Total	**0.04**	**0.40**
Loans given during the year		
ASTRA Resources Pty Limited	-	7.70
Total	**-**	**7.70**
Interest Income		
ASTRA Resources Pty Limited	1.17	1.06
Total	**1.17**	**1.06**
Remuneration to KMP #		
Shri Satyanarayan Nuwal	2.70	2.70
Shri Kailashchandra Nuwal ((refer note 30D)	0.68	2.70
Shri Manish Nuwal	2.70	2.70
Shri Suresh Menon	0.96	0.94
Shri Anil Kumar Jain	0.51	0.51
Shri Nilesh Panpaliya(Resigned w.e.f. May 14, 2021)	0.36	0.36
Mrs. Khushboo Pasari	0.12	0.12
Total	**8.03**	**10.03**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

B. Transactions with related parties during the year (Contd..)

Nature of Transaction	March 31, 2021	March 31, 2020
Sitting fees		
Shri Anant Sagar Awasthi	-	0.02
Shri Dilip Patel	0.05	0.04
Shri Ajai Nigam	0.05	0.04
Shri Amrendra Verma	0.05	0.05
Smt Madhu Vij	0.02	0.04
Smt Sujitha Karnad	0.01	-
Shri Sunil Shrivastav	0.02	0.01
Total	**0.20**	**0.20**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Group as a whole and individual amounts are not determinable.

C. Balance outstanding at the year end were as follows:

	March 31, 2021	March 31, 2020
Loans Given		
ASTRA Resources Pty Limited	15.25	15.77
Total	**15.25**	**15.77**
Other financial assets (Accrued interest)		
ASTRA Resources Pty Limited	2.74	1.64
	2.74	**1.64**
Other payables		
Solar Synthetics Private Limited	0.02	-
Shri Satyanarayan Nuwal	0.75	0.23
Shri Manish Nuwal	0.68	0.16
Shri Kailashchandra Nuwal (Refer Note number 30D)	0.06	0.05
Total	**1.51**	**0.44**

D. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Holding company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Holding company and AG Technologies Private Limited, which was (and continued to be) related party.

Based on legal opinions obtained, the Holding company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Holding company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee. Based on legal evaluation, the Holding company believes that there are no other legal non-compliance due to vacation of office by the said Director.

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 31: Segment Information

The Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

The amount of the Group's revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers

Location	March 31, 2021	March 31, 2020
India	1,329.19	1,287.95
Outside India	1,112.73	877.48
Total	**2,441.92**	**2,165.43**

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets, analysed by the geographical area in which the assets are located:

Location	March 31, 2021	March 31, 2020
India	1,218.87	1,098.36
Outside India	386.67	321.98
Total	**1,605.54**	**1,420.34**

There is only one customer individually contributing more than 10% of Group's revenue, total amount of revenue from such customer for the year ended on March 31, 2021 is ₹ 408.63 (March 31, 2020 is ₹ 371.42)

Note 32: Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives) , trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

3. The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

4. The fair values for loans given are calculated based on discounted cash flows discounted using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

5. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy . The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2021 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	24.87	5	-	24.87	-
Other financial assets (except derivatives)	146.31	6	-	-	-
Trade receivables	455.48	7	-	-	-
Cash and cash equivalents	169.93	8	-	-	-
Bank balances other than cash and cash equivalents	11.27	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.12	4	-	0.12	-
Investment in Venture Capital Fund (unquoted)	0.77	4	-	0.77	-
Investment in mutual funds	0.08	4	0.08	-	-
Fair Value through profit and loss					
Derivative Instruments	0.53	6	-	0.53	-
Fair value through other comprehensive income	0.51	6	-	0.51	-
Derivative Instruments					
Total Financial assets	**809.87**		**0.08**	**26.80**	**-**

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2021 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	433.21	13	-	433.21	-
Current	194.02	14	-	194.02	-
Trade Payables(including Acceptance)	286.08	15	-	-	-
Other financial liabilities (except derivatives)	234.49	16	-	-	-
Derivative Instruments at fair value through profit or loss					
Derivative Instrument not designated as hedge	0.10	16	-	0.10	-
Total Financial liabilities	**1,147.90**		**-**	**627.33**	**-**

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	26.79	5	-	26.79	-
Other financial assets (except derivatives)	108.01	6	-	-	-
Trade receivables	370.32	7	-	-	-
Cash and cash equivalents	92.56	8	-	-	-
Bank balances other than cash and cash equivalents	27.58	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.12	4	-	0.12	-
Investment in Venture Capital Fund (unquoted)	2.14	4	-	2.14	-
Investment in equity instruments (quoted)	0.02	4	0.02	-	-
Investment in mutual funds (quoted)	0.07	4	0.07	-	-
Fair value through profit and loss					
Derivative Instruments	2.05	6	-	2.05	-
Total Financial assets	**629.66**		**0.09**	**31.10**	**-**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	252.80	13	-	252.80	-
Current	357.37	14	-	357.37	-
Trade Payables(including Acceptance)	154.43	15	-	-	-
Other financial liabilities (except derivatives)	161.97	16	-	-	-
Fair value through profit and loss					
Derivative Instruments not designated as hedge	0.62	16	-	0.62	-
Total Financial liabilities	**927.19**		**-**	**610.79**	**-**

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies

“The Group’s principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group’s operations and to provide guarantees to support its operations. The Group’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group’s policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Deposits	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options contracts/forward
Market Risk- Equity price risk	Investment in Equity Securities mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letters of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

“Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the instrument	Currency	March 31, 2021	March 31, 2020
Derivatives designated as hedge			
Interest rate swap	USD	0.01	0.01

0.5 % changes in interest rate will increase/ decrease the borrowing cost by ₹ 2.96 (Pre-tax)

The Group has investment in Bank deposits and hence is exposed to Interest rate sensitivity.

0.5 % changes in interest rate will increase/decrease interest income by ₹ 0.06 .

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Foreign Currency Risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

Unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Group has borrowings in foreign currency amounting to ₹ 22.93 (March 31, 2020: ₹ 70.04). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Group has taken foreign exchange forward /call spread contracts, which are as follows:

Nominal value of forward contracts & option contracts that hedge monetary labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

Name of the instrument	Currency	March 31, 2021	March 31, 2020
Derivatives not designated as hedge			
Seagull	USD	-	0.12
Call spread	USD	0.18	0.53

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2021				March 31, 2020	
	USD	SEK	EURO	GBP	USD	SEK
Trade Receivable	177.85	-	-	-	135.51	-
Loans and other receivable	22.65	-	-	-	1.71	-
Cash and Cash equivalents	20.63	-	-	-	5.38	-
Borrowings	299.62	-	-	-	260.81	-
Capital Creditors	-	0.46	0.10	0.62	-	-
Trade Payables(including Acceptance)	56.99	-	0.08	-	85.31	0.16

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

Particulars	March 31, 2021	March 31, 2020
USD	(1.35)	(2.04)
GBP	(0.01)	-
EURO*	(0.00)	-
SEK*	(0.00)	(0.00)

* Amount is less than SEK/EURO 0.01 for March 31 2021 and March 31 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

Particulars	March 31, 2021	March 31, 2020
Investment in equity shares (quoted)	-	0.02
Investment in mutual funds	0.08	0.07

The impact of increases/ decreases of the BSE/ NSE index on the Group's equity shares and mutual funds and gain/ loss for the period would be ₹ 0.00* (March 31, 2020: ₹ 0.00*). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Group's investments having price risk moved in line with the index.

* Amount is less than ₹ 0.01

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

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

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

Loans: The Group has given loans to subsidiaries and certain unrelated parties. However there is no counter party risk. (refer Note 5 for details)

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

Trade and other receivables:

The Group measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2021	315.64	74.74	134.66	**525.04**
As at March 31, 2020	225.18	60.46	123.25	**408.89**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

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

Particulars	March 31, 2021	March 31, 2020
Opening balance	38.57	22.57
Provided/(reversal) during the year	34.24	17.45
Currency translation difference	(3.25)	(1.45)
Closing balance	**69.56**	**38.57**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2021						
Borrowings						
From Banks	22.15	67.42	260.90	405.64	-	**756.10**
From Others	0.02	0.04	0.41	3.94	-	**4.41**
Deferred Purchase Consideration (Gross)	-	1.09	2.54	24.00	-	**27.63**
Sales Tax Deferral Loan	-	0.10	-	0.13	-	**0.23**
Trade Payables(including Acceptance)	1.73	190.41	93.74	0.20	-	**286.08**
Other financial liabilities (excluding derivatives and lease liabilities)	0.24	28.93	24.51	0.48		**54.16**
Derivative Instruments	-	-	0.10	-	-	**0.10**
Lease Liability(Gross)	-	-	4.90	16.68	-	**21.58**
As at March 31, 2020						
Borrowings						
From Banks	116.00	189.30	140.68	226.08	-	**672.06**
From Others	-	-	3.81	-	-	**3.81**
Deferred Purchase Consideration (Gross)	-	2.01	4.56	34.36	-	**40.93**
Sales Tax Deferral Loan	-	0.13	-	0.23	-	**0.36**
Trade Payables(including Acceptance)	0.04	104.61	49.74	0.04	-	**154.43**
Other financial liabilities (excluding derivatives and lease liabilities)	0.21	26.19	24.91	-	-	**51.31**
Derivative Instruments	-	-	-	0.62		**0.62**
Lease Liability(Gross)	-	1.36	3.96	6.39	24.96	**36.67**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 34: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	March 31, 2021	March 31, 2020
Net debt	611.47	607.56
Equity	1,579.41	1,380.09
Capital and net debt	2,190.88	1,987.65
Net Gearing ratio	**27.91%**	**30.57%**

Calculation of net debt is as follows:

Particulars	March 31, 2021	March 31, 2020
Borrowings		
Non-Current	433.21	252.80
Current	194.02	357.37
Current maturities of long-term debt	158.91	97.96
	786.14	**708.13**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	174.67	100.55
Current Investments	-	0.02
	174.67	**100.57**
Net Debt	**611.47**	**607.56**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/associates/joint ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
1	2	3	4	5
(A) Solar Industries India Ltd.				
	50.06 %	1,156.81	58.52 %	189.07
		1,156.81		**189.07**
(B) Indian subsidiaries -				
1. Economic Explosives Limited	22.99 %	531.32	24.24 %	78.33
2. Blastec (India) Private Limited	-0.21 %	(4.82)	-1.00 %	(3.22)
3. Emul Tek Private Limited	-0.05 %	(1.06)	-0.15 %	(0.48)
4. Solar Defence Limited*	0.00 %	0.04	0.00 %	(0.00)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
1	2	3	4	5
5. Solar Defence Systems Limited*	0.00%	0.04	0.00%	(0.00)
6. Solar Avionics Limited	0.00%	0.03	-0.01%	(0.02)
		525.56		**74.61**
(C) Overseas subsidiaries				
1. Solar Mining Services Pty Limited, South Africa	0.24%	5.47	-6.15%	(19.87)
2. Nigachem Nigeria Limited	2.26%	52.22	3.01%	9.74
3. Solar Overseas Netherlands B.V.	2.41%	55.70	-0.86%	(2.76)
4. Solar Explochem Zambia Limited	2.72%	62.93	4.90%	15.84
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	3.18%	73.39	7.34%	23.70
6. P.T. Solar Mining Services	0.97%	22.52	0.00%	-
7. PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.00%	-	0.00%	-
8. Solar Nitro Ghana Limited	0.15%	3.50	-0.63%	(2.04)
9. Solar Madencilik Hizmetleri A.S	0.26%	6.05	0.97%	3.14
10. Solar Overseas Netherlands Cooperative U.A	4.68%	108.11	-2.78%	(8.99)
11. Solar Overseas Singapore Pte Ltd	0.08%	1.77	-0.10%	(0.33)
12. Solar Industries Africa Limited	-0.12%	(2.85)	-0.53%	(1.70)
13. Solar Nitro Zimbabwe (Private) Limited	0.00%	0.08	0.03%	0.08
14. Solar Nitrochemicals Limited	0.23%	5.31	-0.10%	(0.31)
15. Solar Mining Services Pty Ltd, Australia	-0.75%	(17.28)	2.42%	7.83
16. Solar Mining Services CI SARL, Ivory Coast*	0.00%	(0.01)	-0.01%	(0.02)
17. Laghe Venture Company Limited	0.09%	2.18	0.41%	1.33
18. Solar Overseas Mauritius Limited (Standalone)	9.15%	211.43	5.40%	17.44
		590.51		**43.08**
(D) Minority Interests in all subsidiaries	1.64%	37.84	5.24%	16.93
		37.84		16.93
(F) Entities with Joint control or significant influence over the entity				
Astra Resources Pty ltd	0.02%	0.36	-0.19%	(0.62)
		0.36		**(0.62)**

* Amount is less than ₹ 0.01 in March 31, 2021

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 36. Revenue from operations:

a. Principal revenue generation activity

The Group is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

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

Particulars	March 31, 2021	March 31, 2020
India	1,329.19	1,287.95
Outside India	1,112.73	877.48
Total	**2,441.92**	**2,165.43**

c. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2021.

The Group discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

Particulars	March 31, 2021	March 31, 2020
Trade Receivables	455.48	370.32
Contract Liabilities	72.17	21.31

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

Particulars	March 31, 2021	March 31, 2020
Revenue as per contracted price	2,476.21	2,205.47
Adjustments for:		
Rebates, Discounts and powder factor	(34.29)	(40.04)
Revenue from contract with customers	**2,441.92**	**2,165.43**

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2021, the aggregate amount of the transaction price allocated to order backlog was ₹ 1703.81. The Group expects to recognise revenue within the range from 90% to 95% of the order backlog through 2021-22.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts in ₹ Crores, unless otherwise stated)

Note 37: Research & Development Expenditure

Particulars	March 31, 2021	March 31, 2020
Revenue Expenditure	9.15	11.51
Capital Expenditure	1.48	2.32
Total	**10.63**	**13.83**

1. Capital Expenditure incurred on Research & Development is included in Property, Plant and Equipments and depreciation is provided on the same at the respective applicable rates.

2. Revenue expenditure incurred on Research & Development has been included in the respective account heads in the statement of profit and loss.

Note 38: The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. The Group operates in various geographies. The Group operations were impacted during the year ended March 31, 2021 due to COVID-19. The Group has made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets and financial position based on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Group is confident of recovering the carrying value of these assets as at March 31, 2021 and fulfil its obligations as and when they fall due. The future impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to closely monitor any material changes to future economic conditions.

Note 39: The financial statements were approved for issue by the Board of Directors on May 27,2021

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

Place : Nagpur
Date: May 27, 2021

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Mumbai
Date: May 27, 2021

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 27, 2021

Sailent Features of Financial Statement of Subsidiaries / Associates as per section 129 (3) of the Companies Act, 2013, Read with rule 5 of companies (accounts) rules, 2015 in the prescribed form AOC-1

Part "A": Subsidiaries

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Name of Subsidiaries Particulars	Economic Explosives Ltd	Blastec India Private Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Overseas Mauritius Ltd	Solar Overseas Netherlands Cooperatie U.A.	Solar Overseas Netherlands B.V.	Solar Overseas Singapore Pte Ltd	Nigachem Nigeria Ltd	Solar Explochem Zambia Ltd	Solar Industries Africa Limited	PT.Solar Mining Services	Solar Mining Services Pty Ltd	Solar Mining Services Pty Limited (Formely known as Australian Explosive Technologies Group Pty Ltd	Solar Nitro Chemicals Limited	Solar Nitro Ghana Limited	Solar Madencilik Hizmetleri A.S	Solar Nitro Zimbabwe Private Limited	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi	Laghe Venture Company Limited	Solar Mining Services Cote d'Ivoire	Astra Resources (Pty) Limited
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate																								
Capital	4.80	9.90	4.98	0.05	0.05	0.05	106.65	121.85	94.60	3.44	8.16	0.01	0.81	24.29	121.42	0.00	7.39	5.70	0.66	0.00	10.54	0.05	0.01	4.34
Reserves	526.52	(14.72)	(6.04)	(0.02)	(0.01)	(0.01)	104.78	(13.74)	(38.90)	(1.67)	44.06	62.92	(3.66)	(1.77)	(115.95)	(17.28)	(2.08)	(2.21)	5.39	0.08	62.85	2.13	(0.02)	(3.61)
Total Assets	804.38	13.54	1.78	0.03	0.04	0.04	683.87	264.10	139.14	5.07	235.59	111.56	23.90	25.05	293.65	127.61	28.18	91.23	18.49	0.10	177.75	19.03	0.01	28.87
Total Liabilities	804.38	13.54	1.78	0.03	0.04	0.04	683.87	264.10	139.14	5.07	235.59	111.56	23.90	25.05	293.65	127.61	28.18	91.23	18.49	0.10	177.75	19.03	0.01	28.87
Details of Investments (Except Investment in subsidiaries)																								
Turnover	504.28	10.61	-	-	-	-	39.37	-	-	-	199.44	108.13	-	-	118.13	23.18	-	74.31	77.82	0.47	304.57	30.88	-	-
Profit before Taxation	111.84	(3.34)	(0.48)	(0.02)	(0.00)	(0.00)	20.14	(8.99)	(2.76)	(0.33)	27.69	35.63	(1.70)	-	(31.47)	13.99	(1.83)	(1.63)	4.15	0.11	29.83	3.43	(0.02)	(1.27)
Provision for Taxation	33.51	(0.13)	0.00	-	(0.00)	(0.00)	2.69	-	-	-	9.98	11.26	-	-	(8.87)	3.69	(1.35)	0.64	1.01	0.03	6.12	1.01	-	-
Profit after Taxation	78.33	(3.21)	(0.48)	(0.02)	(0.00)	(0.00)	17.44	(8.99)	(2.76)	(0.33)	17.70	24.37	(1.70)	-	(22.60)	10.30	(0.48)	(2.27)	3.14	0.08	23.70	2.42	(0.02)	(1.27)
Proposed Dividend																								
% of Shareholding	100%	100%	100%	100%	100%	100%	100%							Fellow Subsidiaries										

Part “B” Associates

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

SMS Bhatgaon Mines Extension Private Limited and Solar Bhatgaon Extension Mines Private Limited, Associates of the Company are under the process of striking off.

For and on behalf of Board
Solar Industries India Limited

S.N Nuwal
Chairman
Executive Director

Manish Nuwal
Managing Director &
Chief Executive Officer

Khushboo Pasari
Company Secretary &
Compliance Officer

Shalinee Mandhana **Moneesh Agrawal**
Joint Chief Finacial Officer

Place : Nagpur
Date: May 27, 2021

Notice

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) will be held on **Tuesday, August 31, 2021 at 11:30 a.m.** through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at "Solar" House, 14 Kachimet, Amravati road, Nagpur- 440023.

Ordinary Business:

ITEM NO. 1

Adoption of Financial Statements

To consider and adopt (a) the audited financial statements of the Company for the financial year ended on March 31, 2021 and the Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended on March 31, 2021 and the Reports of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**.

(a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended on March 31, 2021 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended on March 31, 2021 and the Reports of the Auditors thereon laid before this meeting, be and are hereby considered and adopted."

ITEM NO. 2

Final Dividend

To declare a final dividend on equity shares for the financial year ended on March 31, 2021 and in this regard, pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT a dividend at the rate of ₹ 6/- (Rupees six only) per equity share of ₹ 2/- (Rupees two only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2021."

ITEM NO. 3

To appoint Shri Manish Nuwal (DIN: 00164388), who retires by rotation as a Director, and in this regard pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to provisions of Sections 152 of the Companies Act, 2013 Shri Manish Nuwal (DIN: 00164388), who retires by rotation at this meeting be and is hereby appointed as Director of the Company liable to retire by rotation."

Special Business:

ITEM NO.4

Appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company to hold office for the first term of 2 (Two) consecutive years

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of Sections 149, 150,152 and any other applicable provisions of the Companies Act,2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force)read with Schedule IV to the Companies Act, 2013 and Regulation16(1)(b) and other applicable provisions of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force),Smt. Sujitha Karnad, (DIN: 07787485) who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board through circular resolution with effect from December 15, 2020 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting, who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 2 (Two) consecutive years up to the conclusion of the 28th Annual General Meeting to be held in the year 2023.

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

ITEM NO.5

Re-appointment of Shri Satyanarayan Nuwal (DIN:00713547) as a Chairman and Whole-time Director designated as Executive Director of the Company and revision in terms of his remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors the approval of the members of the Company be and is hereby accorded for the re-appointment of Shri Satyanarayan Nuwal (DIN:00713547) as a Chairman and Whole-time Director of the Company not liable to retire by rotation for a period of one year from April 1, 2021 to March 31, 2022, on the terms and conditions of re-appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Shri Satyanarayan Nuwal.

RESOLVED FURTHER THAT the remuneration payable to Shri Satyanarayan Nuwal shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

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

ITEM NO.6

Re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company and revision in terms of his remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the approval of the members of the Company be and is hereby accorded for the re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company liable to retire by rotation for a period of one year from April 1, 2021 to March 31, 2022 on the terms and conditions of re-appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Shri Manish Nuwal.

RESOLVED FURTHER THAT the remuneration payable to Shri Manish Nuwal shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

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

ITEM NO.7

Appointment of Shri Milind Deshmukh (DIN: 09256690) as a Director of the Company.

Consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and the Board and subject to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri Milind Deshmukh (DIN: 09256690), who was appointed as an Additional Director by the Board of Directors of the Company on July 29, 2021 to hold office up to the date of this Annual General Meeting and who is eligible for appointment and has consented to act as a Director of the Company be and is hereby appointed as a Director of the Company.

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

ITEM NO.8

Appointment of Shri Milind Deshmukh (DIN: 09256690) as a Whole-time Director & Key Managerial Personnel of the Company.

Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the appointment of Shri Milind Deshmukh

(DIN: 09256690), as a Whole Time Director designated as Executive Director & Key Managerial Personnel of the Company, liable to retire by rotation for a period of Five (5) consecutive years w.e.f July 29, 2021.

RESOLVED FURTHER THAT the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Shri Milind Deshmukh.

RESOLVED FURTHER THAT the remuneration payable to Shri Milind Deshmukh, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

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

ITEM NO.9

Ratification of Cost Auditor`s Remuneration for the financial year ended March 31, 2022.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and recommendation of the Audit Committee, the remuneration, as approved by the Board of Directors and set out in the statement annexed to the Notice convening this Meeting, to be paid to M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified.

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

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary & Compliance Officer

Date: July 29, 2021
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: **investor.relations@solargroup.com**
Website: **www.solargroup.com**
Telephone No. 0712- 6634555

NOTES:

1. **The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 8 of the accompanying Notice are annexed hereto.**

2. **General instructions for accessing and participating in the 26th Annual General Meeting(AGM) through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

   a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the 26th AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 26th AGM through VC/OAVM.

   b. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this 26th AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the 26th AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   c. The Members can join the 26th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 26th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding),Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 26th AGM without restriction on account of first come first served basis.

   d. The attendance of the Members attending the 26th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

   e. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 26th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the 26th AGM will be provided by NSDL.

   f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the 26th AGM has been uploaded on the website of the Company at **www.solargroup.com**. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively and the 26th AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. **www.evoting.nsdl.com**.

   g. The 26th AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

   h. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

   i. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

      A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **rnt.helpdesk@linkintime.co.in** by 11:59 p.m. IST on Monday August 16, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

      Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to **rnt.helpdesk@linkintime.co.in**. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Monday August 16, 2021.

3. The Instructions for Members for Remote E-Voting and Joining General Meeting are as Under:-

a. The remote e-voting period begins on Saturday August 28, 2021 at (10:00 a.m. IST) and ends on Monday August 30, 2021 at (5:00 p.m. IST) the remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, August 23, 2021 may cast their vote electronically by remote e-Voting. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, August 23, 2021.

b. A person who is not a Member as on the cut-off date should treat this Notice of 26th AGM for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than Individual shareholders are given below:**

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. **If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. **After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.**

8. **Now, you will have to click on "Login" button.**

9. **After you click on the "Login" button, Home page of e-Voting will open.**

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com** to reset the password.
2. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off date of Monday August 23, 2021
3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Tuesday August 10, 2021 may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com** or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday August 10, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
5. Shri Tushar Pahade, Partner at M/s Joshi Pahade & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

6. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **tusharpahade@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
7. During the 26th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 26th AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 26th AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 26th AGM
8. The Scrutinizer shall after the conclusion of e-Voting at the 26th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 26th AGM, who shall then countersign and declare the result of the voting forthwith.
9. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at **www.solargroup.com** and on the website of NSDL at **www.evoting.nsdl.com** immediately after the declaration of Results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited, Mumbai.
10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager at **evoting@nsdl.co.in**

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. Please send scan copy of a signed request letter mentioning your folio number, complete address, scanned copy of the share certificate (front and back) email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address **investor.relations@solargroup.com** or **rnt.helpdesk@linkintime.co.in**
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) to **investor.relations@solargroup.com**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for E-Voting on the day of the 26th AGM are as Under:-

1. The procedure for e-Voting on the day of the 26th AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 26th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 26th AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the 26th AGM. However, they will not be eligible to vote at the 26th AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 26th AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the 26th AGM through VC/OAVM are as Under:

1. Member will be provided with a facility to attend the 26th AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **investor.relations@solargroup.com** atleast 48 hours in advance before the start of the meeting i.e. by Sunday August 29, 2021 by 11:30 a.m. IST. The same will be replied by the company suitably.

6. Members, who would like to ask questions during the 26th AGM with regard to the financial statements or any other matter to be placed at the 26th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address **investor.relations@solargroup.com** at least 48 hours in advance before the start of the 26th AGM i.e.by Sunday August 29, 2021 by 11:30 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 26th AGM, depending upon the availability of time.

7. Institutional Investors, who are Members of the Company, are encouraged to attend and vote in the 26th AGM through VC/OAVM Facility.

10. Pursuant to the MCA Circulars and SEBI Circular, in view ofthe prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 26th AGM and the Annual Report for the financial year 2020-21 including therein the Audited Financial Statements for financial year 2020-21, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 26th AGM and the Annual Report for the financial year 2020-21 and all other communication sent by the Company,from time to time, can get their email address registered by following the steps as given below:-

    a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address **investor.relations@solargroup.com**

    b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

11. The Notice of the 26th AGM and the Annual Report for the financial year 2020-21 including therein the Audited Financial Statements for the financial year 2020-21, will be available on the website of the Company at **www.solargroup.com** and the website of BSE Limited at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com**. The Notice of 26th AGM will also be available on the website of NSDL at **www.evoting.nsdl.com**.

12. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday August 21, 2021 to Tuesday August 31,2021 both days inclusive, for annual closing and determining the entitlement of the Members to the Final Dividend for financial year 2020-21.

13. The Board of Directors has recommended Final Dividend of ₹ 6/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2021 that is proposed to be paid on Thursday September 9, 2021 subject to the approval of the shareholders at the 26th AGM.

14. The Company has fixed Friday August 20, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.

15. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Thursday September 9, 2021 as under:

    i To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited("NSDL") and the Central Depository Services (India)Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Friday, August 20, 2021.

    ii To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, August 20, 2021.

16. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Companyor with their respective Depository Participants.

17. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/ documents by email to reach the Company's email address **investor.relations@solargroup.com**.

    a. signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :

        i Name and Branch of Bank and Bank Account type;
        ii Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
        iii 11 digit IFSC Code;

b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case sharesare held jointly;

c. self-attested scanned copy of the PAN Card; and

d. self-attested scanned copy of any document (such as Aadhar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

18. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

19. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹ 39,690/- (Rupees Thirty Nine Thousand Six hundred and Ninety Only) and ₹ 45,000/- (Rupees Forty Five Thousand Only) being the unpaid and unclaimed dividend amount pertaining to Final Dividend for FY 2012-13 and Interim Dividend for FY 2013-14; respectively, during the financial year 2020-21, to the IEPF.

    During the current financial year 2021-22, Company will be required to transfer the unclaimed Final Dividend for the year 2013-14 and Interim Dividend for the year 2014-15. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at **www.solargroup.com**. Members who have not encashed Final Dividend for the year 2013-14 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

20. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. During the financial year 2020-21 no such shares were found, after following the prescribed procedure.

    Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2013-14 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

23. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form or with the Share Transfer Agent of the Company in case the shares are held by them in physical form.

25. During the 26th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at **https://www.evoting.nsdl.com**.

26. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seekingappointment / re-appointment at the 26th AGM, forms integral part of the Notice of the 26th AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary & Compliance Officer

Date: July 29, 2021
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: **investor.relations@solargroup.com**
Website: **www.solargroup.com**
Telephone No. 0712- 6634555

Explanatory Statement Pursuant to section 102(1) of the Companies Act, 2013.

ITEM NO. 4

Appointment of Smt. Sujitha Karnad(DIN: 07787485) as a Non-Executive Independent Director of the Company to hold office for the first term of 2 (Two) consecutive years

Smt. Sujitha Karnad (DIN: 07787485) was appointed as an Additional Director in the category Non-Executive Independent Director of the Company by the Board of Directors through circular resolution on December 15, 2020 to hold office of Independent Director up to the ensuing Annual General Meeting.

Based on performance evaluation and recommendations of Nomination and Remuneration Committee, Board have approved the appointment of Smt. Sujitha Karnad (DIN: 07787485) as Non-Executive Independent Director of the Company, not liable to retire by rotation to hold office for a First term of 2(Two) consecutive years up to the conclusion of 28th Annual General Meeting to be held in the year 2023 subject to approval of the Shareholders.

Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

Smt. Sujitha Karnad (DIN: 07787485) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declarations from Smt. Sujitha Karnad (DIN: 07787485) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Smt. Sujitha Karnad fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations and is independent of the management.

She shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 read with schedule V of the Act.

Copy of draft letter of appointment of Smt. Sujitha Karnad setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

The details of Smt. Sujitha Karnad, nature of her expertise in specific functional areas and names of companies in which she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except the appointee Director with regard to the resolution of her appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO.5

Re-appointment Shri Satyanarayan Nuwal (DIN: 00713547) as a Chairman and Whole-time Director designated as Executive Director of the Company and revision in terms of his remuneration.

Shri Satyanarayan Nuwal is Chairman of the Company since 1995. The Board of Director of the Company at its meeting held on January 29, 2021 has, subject to the approval of members of the Company, re-appointed Shri Satyanarayan Nuwal as Chairman and Whole-time Director of the Company for a period of 1 (One) year from April 1, 2021 to March 31, 2022 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on January 29, 2021 and approved by Board.

The information in respect of terms of remuneration & perquisites is given below:

I. Broad Particulars of Salary, Perquisites and allowances of Shri Satyanarayan Nuwal are as under :

1. Period	From April 1, 2021 to March 31, 2022
2. Remuneration	
Salary	₹ 35,00,000 per month
Perquisites: for this purpose perquisites are classified into three categories A,B and C	
Category 'A'	
a)	Medical Reimbursement: Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.

b)	Traveling, Boarding and Lodging expenses: Expenses incurred for Traveling, Boarding and Lodging for self during the business trips and provision of car for the same shall be reimbursed at actuals and not considered as perquisites.
c)	Bonus: As per policies and rules of the Company.
d)	Club: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
e)	Personal Accident Insurance/ Term Life Insurance : Premium not exceeding ₹ 5000/- p.a.
Category 'B'	
a)	Company's contribution towards Provident Fund, Superannuation Fund.
b)	Gratuity payable shall not exceed half Month's salary for each completed year of service or part thereof.
c)	Leave Entitlement: As per Company's Policy
Category 'C'	
a)	The Company shall provide a car with chauffer and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for Private purpose shall be billed by the Company
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee.	

II. Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Shri Satyanarayan Nuwal shall be entitled to receive remuneration based on net profits of the Company. Such remuneration based on net profits payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year.

The overall remuneration payable every year to Shri Satyanarayan Nuwal by way of salary, perquisites and allowances, incentive/bonus/ performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate 10% of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof.

Shri Satyanarayan Nuwal satisfies all the conditions set out in Para – I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Shri Satyanarayan Nuwal is father of Shri Manish Nuwal Managing Director and CEO of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder.

Except, Shri Satyanarayan Nuwal being an appointee and Shri Manish Nuwal, Managing Director and CEO, being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Satyanarayan Nuwal under Section 190 of the Act.

The brief resume of Shri Satyanarayan Nuwal, his nature of expertise in specific functional areas, names of Companies in which he hold directorships/chairmanship of Board Committees, shareholding and relationships between directors is provided in the Annexure attached to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and(ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The resolution seeks approval of members as an Ordinary Resolution for the re-appointment of Shri Satyanarayan Nuwal (DIN: 00713547) as a Chairman and Whole-time Director designated as Executive Director of the Company with effect from April 1, 2021 pursuant to the provisions of Section 117, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

ITEM NO. 6

Re-appointment of Shri Manish Nuwal (DIN: 00164388) as a Managing Director of the Company and revision in terms of his remuneration.

Shri Manish Nuwal was appointed as a Managing Director of the Company by the members of the Company for a period of five (5) years from April 1, 2016 to March 31, 2021. The Board of Director of the

Company at its meeting held on January 29, 2021 has, subject to the approval of members of the Company, re-appointed Shri Manish Nuwal as Managing Director (KMP) of the Company for a period of 1 (One) year from April 1, 2021 to March 31, 2022 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee in its meeting held on January 29, 2021 and approved by Board.

The information in respect of terms of remuneration & perquisites is given below:

I. Broad Particulars of Salary, Perquisites and allowances of Shri Manish Nuwal are as under :

1. Period :	From April 1, 2021 to March 31, 2022
2. Remuneration :	
Salary	₹ 25,00,000 per month
Perquisites: for this purpose perquisites are classified into three categories A,B and C	
Category 'A'	
a)	Medical Reimbursement : Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.
b)	Traveling, Boarding and Lodging expenses : Expenses incurred for Traveling, Boarding and Lodging for self during the business trips and provision of car for the same shall be reimbursed at actuals and not considered as perquisites.
c)	Bonus: As per policies and rules of the Company.
d)	Club: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
e)	Personal Accident Insurance/ Term Life Insurance : Premium not exceeding ₹ 5000/- p.a
Category 'B'	
a)	Company's contribution towards Provident Fund, Superannuation Fund.
b)	Gratuity payable shall not exceed half Month's salary for each completed year of service or part thereof.
c)	Leave Entitlement: As per Company's Policy
Category 'C'	
a)	The Company shall provide a car with chauffer and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for Private purpose shall be billed by the Company
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee.	

II. Remuneration based on net profits:

In addition to the salary, perquisites and allowances as set out above, Shri Manish Nuwal shall be entitled to receive remuneration based on net profits of the Company. Such remuneration based on net profits payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year.

The overall remuneration payable every year to Shri Manish Nuwal by way of salary, perquisites and allowances, incentive/bonus/ performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate 10% of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof.

Shri Manish Nuwal satisfies all the conditions set out in Para – I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment. He is not disqualified from being re-appointed as Directors in terms of Section 164 of the Act.

Shri Manish Nuwal is son of Shri Satyanarayan Nuwal, Chairman and Whole Time Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder.

Except Shri Manish Nuwal, being an appointee and Shri Satyanarayan Nuwal, Chairman and Whole Time Director, being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Manish Nuwal under Section 190 of the Act.

The brief resume of Shri Manish Nuwal, his nature of expertise in specific functional areas, names of Companies in which he hold directorships/chairmanship of Board Committees, shareholding and relationships between directors is provided in the Annexure attached to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The resolution seeks approval of members as an Ordinary Resolution for the re-appointment of Shri Manish Nuwal as the Managing Director of the Company with effect from April 1, 2021 pursuant to the provisions of Section 117, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

ITEM NO. 7

Appointment of Shri Milind Deshmukh (DIN: 09256690) as a Director of the Company.

Shri Milind Deshmukh (DIN: 09256690) had been appointed as an Additional Director by the Board of Directors of the Company at its meeting held on Thursday July 29, 2021 on recommendation of the Nomination and Remuneration Committee of the Company. In terms of Section 161(1) of the Companies Act 2013, Shri Milind Deshmukh holds office upto the date of the ensuing Annual General Meeting and is eligible to be appointed as a Director of the Company. The Company has received from Shri Milind Deshmukh (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The profile and specific areas of expertise of Shri Milind Deshmukh (DIN: 09256690) are provided as annexure to this Notice.

Except the appointee Director with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

ITEM NO.8

Appointment of Shri Milind Deshmukh (DIN: 09256690) as a Whole-time Director & Key Managerial Personnel of the Company.

The Board of Directors at its meeting held on Thursday July 29, 2021 had appointed Shri Milind Deshmukh (DIN: 09256690) as a Whole-time Director and Key Managerial Personnel, for a period of Five (5) consecutive years w.e.f July 29, 2021 subject to approval of the members of the Company.

The main terms and conditions of Shri Milind Deshmukh appointment shall be as under:

1. Subject to the supervision and control of the Board of Directors and subject to the provisions of Companies Act, 2013, the Whole-time Director and Key Managerial Personnel will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors. He is further authorised to do all such acts, deeds, things and matter as may be required to do, as the Whole-time Director and Key Managerial Personnel:
2. Remuneration

1.	Period :	Five (5) consecutive years w.e.f July 29, 2021
2.	Remuneration :	
Salary		₹ 4,00,000 to ₹ 8,00,000 per month
Perquisites: for this purpose perquisites are classified into two categories A and B		
Category 'A'		
a)	Medical Reimbursement : Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.	
b)	Bonus: As per policies and rules of the Company.	
c)	Personal Accident Insurance Premium not exceeding Rs. 5000/- p.a	

Category 'B'	
a)	Company's contribution towards Provident Fund, Superannuation Fund.
b)	Gratuity as per Payment of Gratuity Act 1972
c)	Leave Entitlement: As per Company's Policy
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee.	

3. Other terms and Conditions of Appointment

   The appointment of Shri Milind Deshmukh (DIN: 09256690) as the Whole-time Director and Key Managerial Personnel of the Company would be subject to the provisions of Section 152(6) of the Companies Act, 2013, i.e. Shri Milind Deshmukh would be liable to retire by rotation.

   Brief resume of Shri Milind Deshmukh, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors is provided in Annexure attached to the Notice. The Board Report be read accordingly.

   Except the appointee Director with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

   The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

ITEM NO.9

Ratification of Cost Auditor`s Remuneration

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Deepak Khanuja Partner of M/s Khanuja Patra & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2021-22 ending on March 31, 2022 at the Audit Fees of ₹ 1,45,000/- (Rupees One Lakh Forty -Five Thousand Only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors and Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 8 of the Notice for approval of the shareholders.

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary & Compliance Officer

Date: July 29, 2021
Place: Nagpur

Registered office:
"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).
CIN: L74999MH1995PLC085878
Email id: **investor.relations@solargroup.com**
Website: **www.solargroup.com**
Telephone No. 0712- 6634555

Annexure To Item NO. 3,4,5,6,7 and 8

As required under Regulation 36 of the SEBI (Listing Obligations and DisclosureRequirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS–2), the particulars of Directors who are proposed to be appointed / reappointed and/or whose remuneration is proposed to be increased at this 26th Annual General Meeting, are given below:

Item No. 4 & 5:

Sr. No	Particulars	Details/ Information	Details/ Information
1.	Name of the Director	Smt. Sujitha Karnad (DIN: 07787485)	Shri Satyanarayan Nuwal (DIN:00713547)
2..	Date of Birth	14/10/1961	25/07/1952
3.	Date of Appointment	15/12/2020	24/02/1995
4.	Nationality	Indian	Indian
5.	Qualifications	B.E. (Hons) in Electrical & Communication Engineering, M.E. in Applied Electronics FPM in Organizational Behavior	Graduate
6.	Brief Profile	Smt. Sujitha Karnad is Doctorate in Organisation Behavior She has rich experience in the areas of Telecom, Manufacturing, Semiconductor industry, Banking, and Healthcare IT solutions. Please refer Company's Website: www.solargroup.com for detailed profile.	The progressive journey of Shri Satyanarayan Nandlal Nuwal from a trader to a large explosive manufacturer is inspiring. Please refer Company's Website: www.solargroup.com for detailed profile.
7.	Disclosure of relationship between directors inter-se	Not related to any Director / Key Managerial Personnel	Father of Shri Manish Nuwal
8.	Expertise in Specific Functional Area	• Strategic HR Management • Experience in analysis, implementation and evaluation of IT Systems	• Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation
9.	Number of Shares held in the Company	Nil	13238254 Equity Shares
10.	List of the Directorship/ Partnership held in other companies/LLP (Excluding Foreign & Section 8 Companies)	Sekai Solutions Private Limited	• Economic Explosives Limited • Solar Defence Limited • Solar Defence Systems Limited • Nagpur Infrastructures Private Limited • RCOEM Technology Business Incubators Foundation • PHD Chamber of Commerce and Industry
11.	Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Nil	• Chairman of Corporate Social Responsibility Committee and • Member of Nomination Remuneration Committee Economic Explosives Limited

Item No. 3,6,7 and 8

Sr. No	Particulars	Details/ Information	Details/ Information
1.	Name of the Director	Shri Manish Satyanarayan Nuwal (DIN: 00164388)	Shri Milind Deshmukh (DIN: 09256690)
2.	Date of Birth	12/03/1974	13/07/1965
3.	Date of Appointment	25/10/2008	29/07/2021
4.	Nationality	Indian	Indian
5.	Qualifications	Chartered Accountant, Commerce Graduate	1. Master's in management studies 2. Bachelor of Commerce 3. WIPRO Management Program
6.	Brief Profile	A qualified Chartered Accountant with vide experience in handling and operating manufacturing units. Please refer Company's Website: www.solargroup.com for detailed profile.	Shri Milind Deshmukh is Managing Director of Nigachem Nigeria Limited and Director of other overseas Subsidiaries of Solar Industries India Limited. He has been associated with Solar Group since 2009 and was responsible for Company's expansion in African countries. Please refer Company's Website: www.solargroup.com for detailed profile.
7.	Disclosure of relationship between directors inter-se	Son of Shri Satyanarayan Nuwal	None
8.	Expertise in Specific Functional Area	• Leadership / Operational experience • Strategic Planning • Industry Experience, Research & Development and Innovation • Global Business • Financial, Regulatory / Legal & Risk Management • Corporate Governance	• Strategic Business Development • Stakeholder and customer relationship Management • Managing Business Operations • Project Management
9.	Number of Shares held in the Company	25232069 Equity Shares	NIL
10.	List of the Directorship/ Partnership held in other companies/LLP (Excluding Foreign & Section 8 Companies)	• Economic Explosives Limited • Solar Defence Limited • Solar Defence Systems Limited • Solar Avionics Limited • Sundrop Developers & Ventures LLP	NA
11.	Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Member of Audit Committee and Corporate Social Responsibility Committee of Economic Explosives Limited	NA

Notes

Notes

SOLAR INDUSTRIES INDIA LIMITED

Registered Office:
"Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023 (MH).

CIN: L74999MH1995PLC085878

E-mail id: investor.relations@solargroup.com

Website : www.solargroup.com

Tel: +91-712- 6634555
Fax: +91-712-2560202

a K&A creation | www.kalolwala.co.in