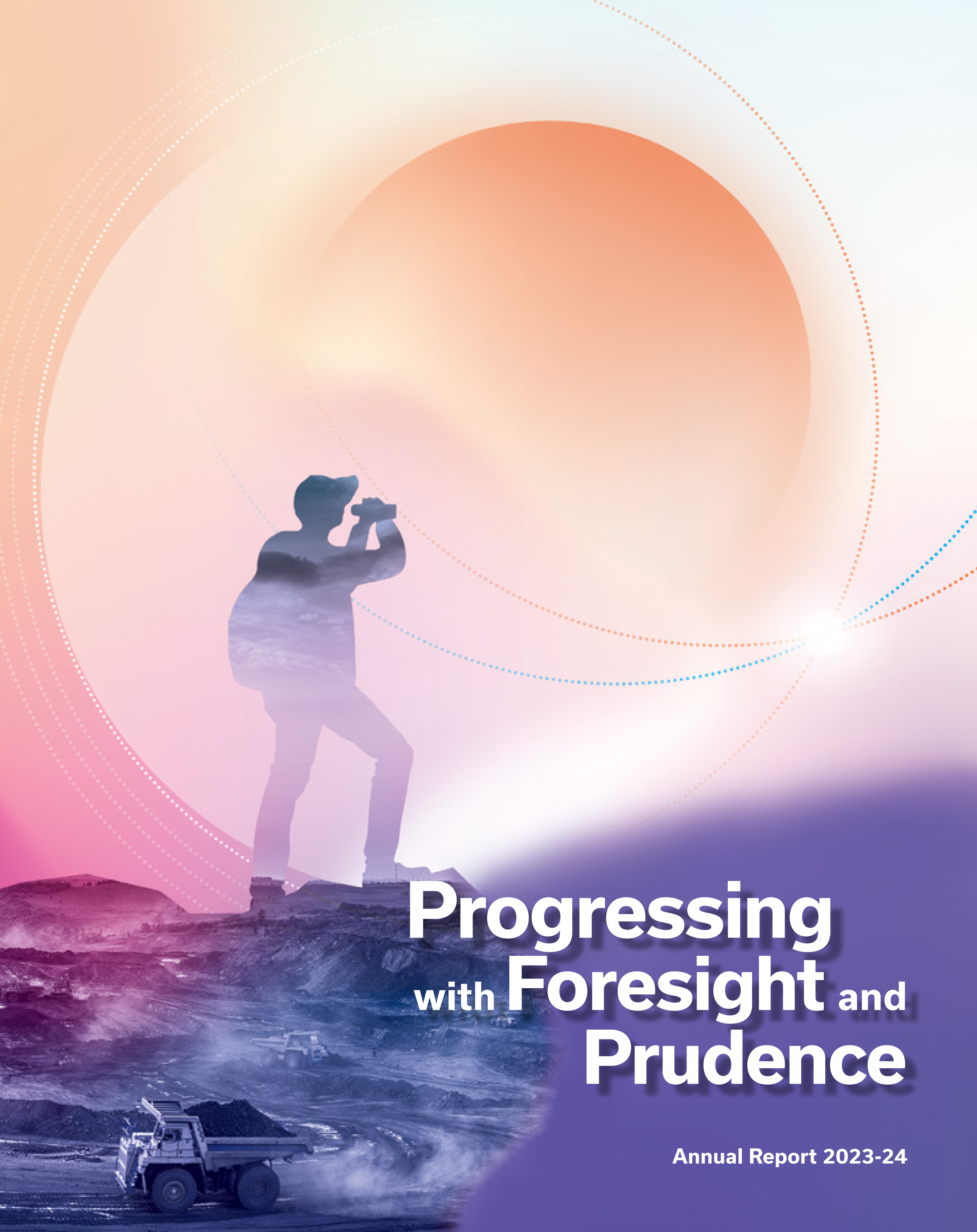
SOLAR INDUSTRIES INDIA LIMITED



Progressing with Foresight and Prudence

Annual Report 2023-24

Progressing with Foresight and Prudence

Solar Industries India Limited has always believed that business must have a purpose beyond profits.

This belief has shaped our journey of almost 30 years, enabling us to Progress with Foresight and Prudence that thrives on the core values of Integrity, Respect, Responsibility and Reliability.

By leveraging our world-class, state-of-the-art facilities and adopting novel approaches with foresight and prudence, we have achieved sustainable growth on a global scale. Our strong emphasis on R&D has translated into a healthy order book and a growing export portfolio, creating enormous value for our stakeholders. Looking ahead to a brighter future, our enduring focus on innovative solutions and sustained growth guides our every step.

In a rapidly evolving world, where digitisation and sustainability have taken centre stage, we are steadfastly progressing with foresight and prudence. We are continuously innovating to create superior products that address the ever-evolving needs of our customers while being sustainable and cost effective.

Building upon these achievements, we stand at the threshold of a transformative journey. This year marks a pivotal moment for our company, heralding a future of exceptional performance and sustainable progress. As we move forward, we are poised to unlock unprecedented potential and surpass expectations, driving us

towards a brighter tomorrow.

Sales Volume (In MT)	Order Book (₹ in Crores)
5,50,092	5,129

Market Capitalisation (₹ in Crores)	EBITA (₹ in Crores)	PAT (₹ in Crores)	Dividend per share (in ₹)
79,509	1,414	875	8.5

About this report

About the Report

This is Solar's Integrated Annual Report for FY 2023-24, providing a comprehensive assessment of financial and non-financial metrics. This report covers the financial year from April 01, 2023, to March 31, 2024.

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

Forward-looking statements

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

Inside this report

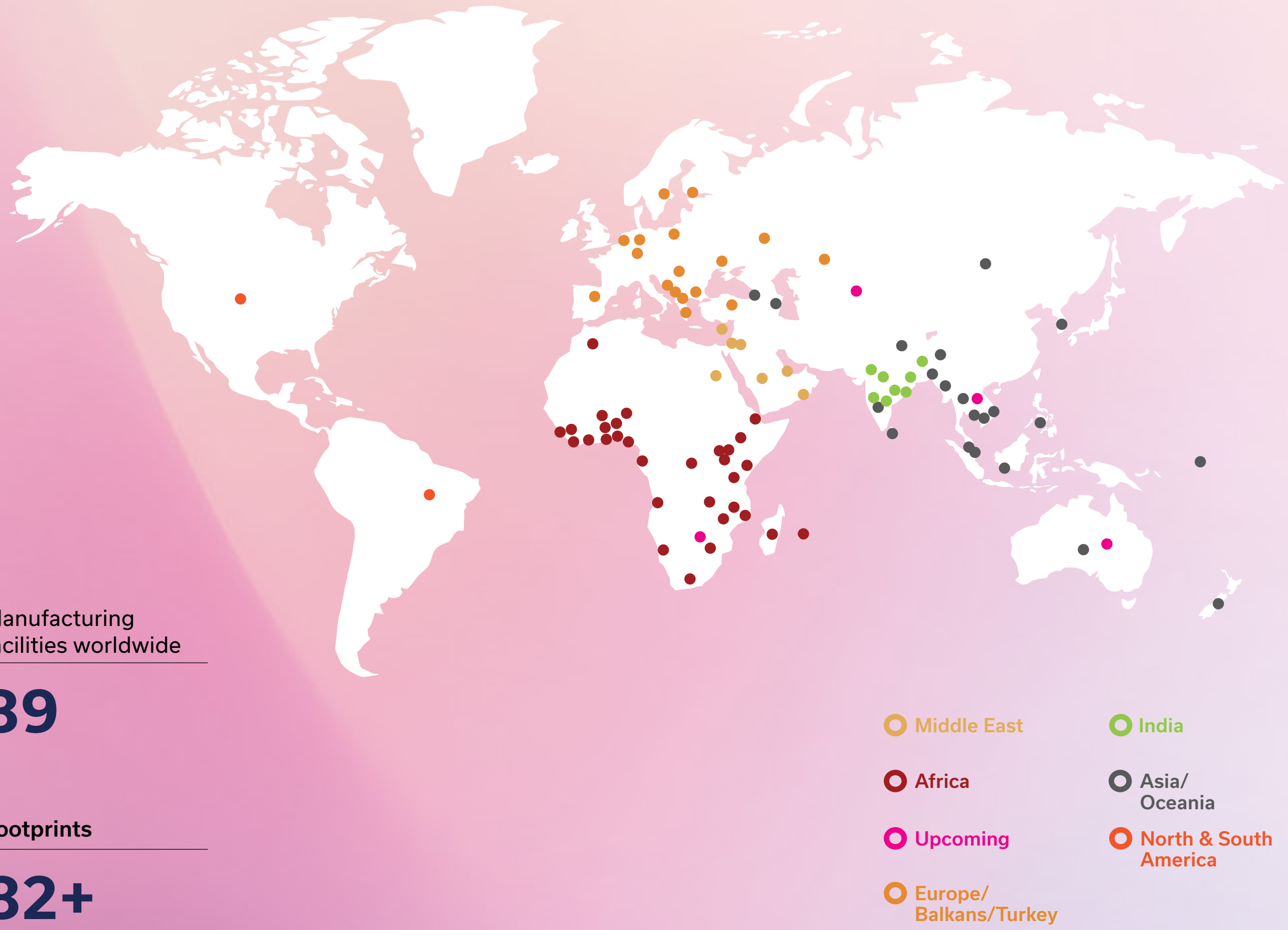
To know more about us in digital mode, scan this QR code in your QR mobile application.

Solar at a Glance

Progressing our onward journey with strength and agility

Solar Industries India Limited leverages decades of expertise and domain knowledge to produce a comprehensive range of industrial explosives and initiating systems. Our products find application in mining, infrastructure, construction, Defence and the Space Sector. Despite industry challenges, we continue to lead the market by capitalising on emerging opportunities and sustaining growth through integrated manufacturing processes and quality assurance.

Global Presence



Manufacturing facilities worldwide

39

Footprints

82+

Our Vision

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

Our Mission

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

Doing what we know best

Our integrated business model continues to drive business growth

Our backward integration model, set up since inception, today rewards us with market leadership in industrial explosives (bulk, packaged and initiating systems) and a growing presence in defence and space sector

Robust balance sheet and strong operating cash flow

- A near zero-debt supports future business growth and capital returns
- Prudent capital allocation towards expansion strategies
- Positive shareholder returns

Specialists in industry domain with strong capabilities

Our product portfolio has expanded significantly in the past years, serving diverse industries such as mining, infrastructure, construction, and defence. Renowned for safety, reliability, and sustainability, our products benefit from our strong technical and innovation capabilities, enabling us to sustain growth and capitalise on new market opportunities.

An Indian multinational with a global presence

Our global footprint spans across 82+ countries. Today, our export and overseas business generates 40% of total revenue, growing at 33% 5-year CAGR

Sustainable business practices with meaningful contribution towards community development

Our embedded sustainable practices are creating lasting legacies for a better tomorrow. Our robust EHS practices ensure safe workplace culture across our operations. Our collaboration, partnerships and direct contribution maximise our impact towards underprivileged lives.

Creating impact and value across all stakeholders

By aligning our goals with those of our stakeholders, we create synergistic effects that amplify our collective impact on the communities and markets we serve. Our collaborative approach helps us stay aligned with the evolving expectations and priorities of our stakeholders, ensuring that our strategies and actions remain relevant and effective.

Read more about our operations on page 32 of the Annual Report

Message from the Chairman

Progressing with purpose

"Escalating geopolitical tensions, coupled with the Government of India's focus on building a self-reliant Defence Sector, led to a surge in order flow and revenue growth for domestic companies.

Satyanarayan Nuwal
Chairman

Dear Shareholders,

My sincere greetings to all of you on behalf of Solar Industries India Limited. It's an honour and privilege to share the Company's performance highlights for the fiscal year 2023-24.

As I take this opportunity to share my thoughts with you, my mind goes back to the events that have unfolded in our journey so far. At Solar, we have consistently remained action-oriented and followed a forward-looking approach. This is what I believe has facilitated our evolution from serving explosives to the state-owned coal mines to becoming a leading producer of industrial explosives and initiating systems.

Over the years, we have remained dedicated to striking the right balance between expertise and experimentation to find solutions that positively impact the businesses of our customers and the communities around us. We are investing in our people, incorporating the latest technological advancements, executing larger projects and capitalising on growth opportunities in both, Industrial Explosives and Ammunition.

The year under review

During FY 2024, global economic conditions remained at a crossroads, overcoming challenges with underlying rays of optimism. The volatile global economic landscape was marked by several geopolitical crises spanning Ukraine and the Middle East. Additionally, the escalating tensions between the world's two economic powerhouses have reverberated across the globe, resulting in a significant increase in trade barriers implemented by numerous countries in recent years.

Notwithstanding these challenges, the Indian economy has remained resilient and recorded a year of robust GDP growth. Stable macroeconomic fundamentals and a conducive business environment provided a strong foundation for the domestic economy, even while global uncertainties and stubborn inflation persisted.

However, escalating geopolitical tensions, coupled with the Government of India's focus on building a self-reliant Defence Sector, led to a surge in order flow and revenue growth for domestic

"We are investing in our people, incorporating the latest technological advancements, executing larger projects and capitalising on growth opportunities in both, Industrial Explosives and Ammunition.

companies. Further contributing to this growth momentum were the government's concerted efforts to boost defence exports through forging stronger country-to-country relations. With increasing demand for defence equipment and enhanced government impetus, the domestic Defence Sector is now poised for exponential growth, facilitating both economic and strategic advancements in the foreseeable future.

At Solar, we are geared to embrace this emerging opportunity with renewed fervour. Recognising the increased private participation in the Defence sector, we have continued to sharpen our focus on driving innovation and expanding our footprint across geographies during the reporting year. This strategic focus has yielded significant results, as evidenced by our securing substantial export orders for defence products valued at ₹ 455 Crores and ₹ 994 Crores; these orders are slated to be delivered in the next two to three years. Also, negotiations for the highly anticipated Pinaka orders are nearing completion. Our efforts towards building Force Multiplier products for the Armed Forces using indigenous R&D are well recognized.

While we endeavour to create value for shareholders, we have always remained focused on helping the Nation to be Atmanirbhar in Defence products. It is with this vision that we continue to invest in manufacture of ammunition and other Defence requirements which hold boundless opportunities.

Beyond defence, we have also witnessed exceptional volume growth on the domestic front, fuelled by the growing demand from coal mining and the government's infrastructure push.

> **Recognising the increased private participation in the Defence sector, we have continued to sharpen our focus on driving innovation and expanding our footprint across geographies during the reporting year.**

Over the last three-four years, our market capitalisation has grown exponentially; and, with governments worldwide increasing defence budgets due to a rapidly evolving geopolitical scenario, this attractive growth trajectory is likely to accelerate further.

Fulfilling our social commitments

At Solar, we understand that our products have a far-reaching impact on clients across varied domains and extended communities of people. Realizing this, we aim to be a beacon of hope and progress for our people and local communities. Our commitment to conducting business with a holistic approach entails the advancement of all stakeholders and their contribution to the betterment of society.

During the year under review, we continued to undertake meaningful Corporate Social Responsibility (CSR) initiatives aimed at fostering inclusive development of the communities in which we operate. Through a comprehensive range of structured interventions, we strived to make a positive impact across the domains of health and hygiene, animal welfare, rural development, women's empowerment and quality education.

Strong Governance principles

Governance at Solar is deeply ingrained in our corporate culture, where ethical conduct is regarded as a critical asset. Our commitment to refining our governance approach includes embedding the core principles of fairness, accountability, disclosure, and transparency into every facet of our operations.

Our leadership team is a diverse group of experienced professionals whose insights are pivotal in aligning with our strategic and governance goals. By adhering to stringent and fair governance practices, we ensure transparency throughout our organizational processes. Moreover, we are dedicated to involving our stakeholders in key decisions, thereby fostering a trust-based relationship that supports our long-term objectives.

Empowering our teams for Safety

Adhering to a future-forward approach, we encourage a high-performing culture to unlock the full potential of our workforce. To this end, we promote continuous learning with revamped training programmes designed to equip our personnel with cutting-edge, in-demand skills.

Besides prioritising consistent learning and development, we foster a work environment that welcomes innovation and collaboration. This translates to ongoing efforts to streamline processes and embrace flexible work arrangements, ensuring employee well-being and maximum productivity.

In addition to these endeavours, we abide by stringent safety guidelines to prevent injuries and occupational hazards. We continue to incorporate best-in-class technologies to enhance our safety measures as well as identify and address potential hazards. Moreover, recognising the vital connection between a healthy workforce and a thriving business, we emphasise improving our employee wellness programmes.

Our way forward

The prospects for the housing and infrastructure sector, appears promising. Fuelled by the government's steadfast focus on infrastructure development and the consequent surge in urban housing demand, the industry is poised for considerable growth. This, coupled with the cost advantage provided by our lower explosive prices, positions us in a sweet spot to capitalise on the burgeoning demand within the domestic construction and infrastructure segment.

Additionally, our strategic expansion into new international markets, including Kazakhstan and Saudi Arabia, is expected to bolster the performance of our international subsidiaries, fortifying our position as a leading player in the global explosives sector. Furthermore, the booming Mining and Defence sectors are likely to catalyse our growth in the upcoming years.

We are confident that by building on a strong foundation, leveraging our extensive industry expertise and enabling focused innovation, we are poised to capture the opportunities that lie ahead.

The Indian economy, with its rapid growth, is also opening doors to a plethora of opportunities. While we remain excited about these prospects, we are consistently sharpening our core competencies with dedication and diligence to make the Defence Sector in India truly Atmanirbhar—thereby substantially contributing to the Government's vision of a Viksit Bharat.

Vote of thanks

In closing, I want to convey my sincere gratitude to our shareholders for the faith that they have reposed in our vision and capabilities. I would like to thank our employees without whose dedication and commitment, this growth would not be possible. We look forward to your continued cooperation in the years ahead.

Best regards,

Satyanarayan Nuwal
Chairman

Message from Managing Director

Leading from the front

Manish Nuwal
Managing Director and CEO

"Witnessing Solar grow from strength to strength has been an exhilarating experience—we have seen our products make a difference across sectors and geographies.

Dear Stakeholders,

It is my privilege to present to you the Annual Report for the fiscal year 2023-24.

Reflecting on a year of transformative growth and bold strides we have taken together, I am filled with gratitude and optimism. It has been a year of remarkable progress as we march ahead undeterred by small hiccups.

Witnessing Solar grow from strength to strength has been an exhilarating experience—we have seen our products make a difference across sectors and geographies. We have not only grown manifold but have also consolidated our position in the global explosives market!

We have successfully entered in advanced markets, establishing a strong presence and forging alliances.

I am excited about our role in contributing to India's emergence as the world's third-largest economy over the next five years. This is a testament to national pride, and we are fully prepared to play a key role in this ambitious journey of our country.

The big picture

The landscape of the infrastructure sector is evolving rapidly, driven by substantial government investments in roads, highways, airports, and logistics parks. Public-Private Partnerships (PPPs), the National Monetisation Pipeline, and increased Foreign Direct Investment are pivotal in unlocking new avenues for private companies to shape this dynamic growth trajectory.

We recognise the immense potential in the infrastructure sector and are strategically investing in new manufacturing facilities to cater to the growing demand. By participating in Public Private Partnerships (PPPs), we are striving to leverage our expertise in a way that contributes to India's infrastructure development. Also, to make the most of the opportunities that lie ahead, we are streamlining our production and resource management, ensuring we are well-equipped to be a reliable partner to our global customers.

Amidst global challenges, including geopolitical tensions in Europe and the Middle East, governments worldwide are bolstering their defense budgets and capabilities. At Solar, we recognize our role and responsibility in this critical domain. We are enhancing our defense portfolio through state of the art manufacturing facilities and technological advancements.

The technology transfers for specialised defence products have solidified our role as a key supplier, while partnering with space companies have opened the doors to exciting opportunities in the space sector. Together, we can navigate these transformative times and forge a path towards shared success and prosperity.

Research and Development

Throughout this fiscal year, Solar has harnessed the power of our Research and Development facilities to enhance our current capabilities and innovate

"I am excited about our role in contributing to India's emergence as the world's third-largest economy over the next five years.

new technologies, ensuring our position as a responsive, responsible, and efficient organization remains unchallenged.

At Solar, we are prioritising research and development to refine existing offerings and adopt technologies to offer new products. Collaborations with research institutions, startups, and industry leaders fuel advancements in ammunition, rockets, UAVs, and propulsion systems. These efforts position us as a potential drone hub and explore global sales opportunities, all while aiming to be a proficient player in defence market. Together, we forge ahead into a future where innovation shapes progress and excellence defines our journey.

Our performance in a nutshell

Our turnover stood at ₹ 6070 Crores for the year. In FY 2024, better performance in domestic business and increased defence sales, helped us to expand our margins resulting in the highest ever EBITDA & PAT in absolute terms for the year at ₹1414 Crores & ₹875 Crores. These results were achieved despite the losses from currency fluctuations and hyper inflationary conditions.

I am also pleased to share that we have proposed a dividend of ₹8.5 per share for the current year as compared to ₹8 per share in the previous year.

A pivotal achievement this year includes securing major contracts, notably Economic Explosives Ltd.'s contract with the Ministry of Defence for supplying loitering munitions, and our largest-ever orders from Coal India Ltd. amounting to ₹1,853 Crores for bulk explosives. These milestones highlight our strategic positioning and robust growth trajectory in the explosives and defense sectors.

In terms of India's Defence Sector, it has been instrumental in propelling our progress and is in line with the Government's aim to make India Atmanirbhar. I am pleased to note that we have played a key role in India's transformation from being a defence importer to becoming an exporter.

Our defence order amount to around ₹2600 Crores and are to be fulfilled over the next two to three years. Additionally, we are in the final stages of securing the much anticipated orders for Pinaka rockets for which the negotiations have been concluded. With the current defence product order book, we are expecting the defence revenue to grow three-fold in FY25. Together, we are poised to continue our journey of pioneering advancements, driving value creation, and achieving new heights of success.

"These efforts position us as a potential drone hub and explore global sales opportunities, all while aiming to be a proficient player in defence market. Together, we forge ahead into a future where innovation shapes progress and excellence defines our journey.

Safeguarding the planet

We recognise the imperative of achieving ecological balance and preserving our planet for future generations. That is why we have undertaken a series of initiatives aimed at mitigating our environmental impact and integrating sustainable practices across our operations.

Besides these efforts, we are developing new products and services that support environmentally responsible mining practices and advanced blasting techniques. This ensures that we remain a leader in not only resource extraction but also in nurturing nature.

We have continued to take targeted measures to reduce our carbon footprint. Further to this, we have minimised energy consumption, switching to renewable energy sources wherever feasible and fostered a culture of eco-consciousness to minimise waste.

While we have taken significant strides in our sustainability journey thus far, we do realise that a lot is yet to be done. In keeping with this, we are consistently exploring new ways to innovate and improve.

Cultivating a Robust Safety Culture

Safety remains paramount in our commitment, and in light of an unfortunate incident occurred at our Nagpur facility, we are conducting a thorough reassessment of our safety protocols ensuring rigorous measures are in place to safeguard our personnel and to prevent any recurrence of any tragedies in the future.

Progressing together

As we look ahead, we do so with humility and a renewed sense of purpose. With your continued support, I am confident that we will overcome any challenges that come our way and achieve even greater heights of success.

For the years ahead, Solar anticipates accelerated momentum, with healthy order books and high growth potential across the products we offer. We aim to scale new heights and expand our market share across our diverse product portfolio.

We look forward to global expansion, cutting-edge product development and strategic partnerships. We currently have manufacturing facilities in 8 countries and aim to establish plants in 2 additional countries by FY-2025. We plan to increase our global footprint further, driven by the strong reception of our products in international markets. Our focus on establishing a presence in new overseas markets, coupled with investments high energy materials, rocket systems and counter-drone technologies, has positioned us in a prime position to capitalize on emerging market demands.

"We look forward to global expansion, cutting-edge product development and strategic partnerships. We currently have manufacturing facilities in 8 countries and aim to establish plants in 2 additional countries by FY-2025. We plan to increase our global footprint further, driven by the strong reception of our products in international markets.

By forging strategic alliances with global companies, we'll unlock exciting overseas opportunities. We're also committed to consistently innovating and maintaining the highest quality standards. This unwavering focus on product development and excellence will ensure we remain the trusted partner of choice for customers across the globe.

I would like to express my heartfelt appreciation to our dedicated employees, whose support has been integral to our transformation into a world-class manufacturer.

Thank you once again for your trust and belief in our vision. With our commitment to excellence, we are propelled into a new orbit of future filled with continued innovation and success.

Best regards,

Manish Nuwal
Managing Director and CEO

Operating context and growth strategies

Adapting to change, preparing for the future

Encouraging the development of a self-reliant defence sector

India's emphasis on the defence sector continues to drive initiatives for ensuring self-reliance. The government's focus on 'Aatmanirbhar Bharat' (Self-Reliant India) has encouraged changes in the defence sector and created numerous opportunities for domestic companies. As this sector continues to thrust, it aligns more closely with the country's strategic interests, supporting sustainable growth and technological advancements.

Focus areas

- **Focus on indigenous manufacturing:** The government continues to prioritise domestic production and reduce dependence on imports.
- **Streamlined processes:** The government has eased the regulations and licensing processes for manufacture of ammunition and other defence related items with a focus on transparency have relaxed entry barriers for new entrants to the defence sector.
- **Promoting innovation:** Government initiatives like iDEX (Innovations for Defence Excellence) and DTIS (Defence Testing Infrastructure Scheme) are fostering a culture of innovation within the domestic defence ecosystem.
- **Dedicated Defence Corridors:** The development of dedicated industrial corridors in Tamil Nadu and Uttar Pradesh is creating hubs for defence manufacturing, leveraging existing infrastructure and talent.

Our response

We continue to fortify our defence portfolio with new, advanced and superior quality products. Through continuous backward integration and capacity expansion for manufacturing materials like TNT, HMX, Pyro Propellant, assembly of pinaka rockets, multimode hand grenade, etc. We prioritise innovations to introduce cutting-edge drones and advanced detonators to meet domestic as well as global defence needs.

Key Financial and Investment Highlights

Foreign Direct Investment in the defence sector is permitted up to 74% via the automatic route and 100% through the government route.

The defence budget has been increased by 13.14% for the fiscal year 2023-24.

The government aims for a turnover of ₹ 1.75 lakh Crores in aerospace and defence manufacturing by 2025, with an export target of ₹ 35,000 Crores.

Rising infrastructure growth

India's infrastructure sector is set for robust growth, driven by government initiatives and investments in roads, highways, airports, ports, public transport and logistics parks. With a focus on Public-Private Partnerships (PPP) and the National Monetization Pipeline (NMP), significant opportunities for private investments have opened up. Infrastructure Investment Trusts (InvITs) and increasing Foreign Direct Investment (FDI) have also added impetus to the investment landscape. Private sector participants are also engaging in strategic partnerships, conducting thorough due diligence procedures and leveraging supportive government policies to optimise investment outcomes.

Key Highlights

- The FY24 budget saw a robust 33% rise in infrastructure expenditure compared to the previous year, laying a strong foundation for the future.
- Capex of ₹ 98,000 Crores has been allocated for the construction and modernisation of airports by 2025.
- Plans for setting up 35 Multi-Modal Logistics Parks (MMLPs), with private investments of over ₹ 700-1,000 Crores for each park has been planned for FY24.
- The National Highway network is expected to be expanded to 2 lakh km by 2025.

Our response

We aim to capitalise on numerous opportunities arising in the infrastructure sector by investing in new manufacturing facilities and participating in Public-Private Partnerships (PPPs). The implementation of SAP IBP is expected to streamline our production planning and resource management for infrastructure investments.

Record year for Mining

The Indian mining sector has recorded stellar performances during FY24, driven by a substantial increase in coal production, a key input for power generation, along with surged production of key minerals such as iron ore and limestone. Metallic and non-metallic minerals serve as important raw materials for several industries including steel, cement and construction. Increased mining output therefore, helps to meet rising industrial demand and Enhanced profitability. This positive trend also opens up opportunities for new investments and collaborations, promising sustained growth and stability of the manufacturing sector.

Key Highlights

- Iron ore production: 277 Million Tons in FY24 vs 258 Million Tons in FY23 registering a growth of 7.4%.
- Limestone production: 450 Million Tons in FY-24 vs 406 Million Tons in FY-23, registering a growth of 10.7%.
- Coal production: 997 Million Tons in FY-24 vs 892 Million Tons in FY-23, registering a,growth of 11.65%.

Our response

Capitalising on the astounding growth of mining activity, we aspire to expand the production capacity of explosives and initiating systems used for mining. With efforts to streamline our supply chain and ensure timely delivery of products, we seek to further strengthen the mining portfolio.

Sustainability in focus

In response to evolving regulatory standards and stakeholder demands, the mining industry is increasingly prioritising Environmental, Social and Governance (ESG) outcomes. The focus is shifting from merely reporting to implementing substantial and impactful sustainability measures. Innovations in technology and resource management are pivotal to achieving these goals, enabling companies to align more closely with contemporary ESG expectations.

Key focus areas

- Enhanced regulations and stakeholder scrutiny continue to drive the adoption of rigorous ESG practices within the mining sector.
- Advanced blasting technologies such as tele-operated mobile mixing units and electronic detonators optimise material handling and reduce ecological disruptions by improving the precision of rock breaks.
- The development of sophisticated water conservation techniques is critical to sustaining resources and minimising environmental impacts.
- Efforts to rehabilitate and reclaim mined land remain a priority. This will help on restoring ecosystems and enhancing community benefits, reinforcing the industry's commitment to environmental restoration.

Our response

We are committed to being an environmentally responsible organisation and integrate cutting-edge technologies into our operation to promote our sustainability efforts. Along with the use of advanced blasting technologies we resort to innovative water management practices to minimise our environmental impact and enhance operational Efficiencies. Additionally, we are actively engaged in developing new products and services that support sustainable mining operations.

Digital adoption

Technological advancements continue to drive the digitisation of the mining industry, particularly because mines face deeper and more complex ore bodies. The use of automation and robotics for the development of remote-controlled equipment has been crucial for improving the safety and operational efficiency of mines. The integration of big data and analytics is also transforming decision-making processes, enabling more precise mineral extraction. Besides, predictive maintenance procedures have helped to reduce downtime. Additionally, these advancements support environmental conservation efforts and foster better community relations, which are crucial for sustaining mining operations. The push for innovation offers significant opportunities for growth in robotics, tailored to unique geological challenges. It is also expected to improve safety and sustainability standards in mining.

Our response

We have recently empowered our operation with the implementation of SAP IBP which helps to automate and integrate production planning to meet customer demands efficiently. Additionally, we have installed an RPA system for managing documentation and invoicing to significantly reduce errors and vehicle detentions, thereby facilitating optimum asset utilisation and enhancing cost efficiency.

Our Business Model

Fueling growth through sustained value creation

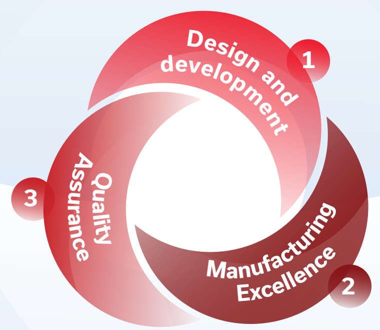
Capital	Inputs	Output	Outcomes	Impacted stakeholders
Financial	- ₹ 3,427.25 Crores Shareholder's Fund - ₹ 637.27 Crores Borrowings - ₹ 2,392.53 Crores Retained earnings	- ₹ 6,070 Crores Revenue from operations - ₹ 875 Crores PAT - ₹ 1,414 Crores EBITDA	- Improved financial stability and resilience - Sustained shareholder value creation to maximise returns - Investment for Future Growth - Defence Sector Expansion	- Shareholders and investors - Employees
Manufactured	- ₹ 668 Crores CAPEX - 39 Manufacturing facilities - ₹ 2,451 Crores Gross block	- 5,50,092 MT Explosives supplied - 15.29 Inventory turnover ratio	- State-of-the-art facilities worldwide for efficient production & quality control - Expansion for better customer proximity & logistics - Flexibility & reduced reliance on external suppliers - Improved safety Increased operational efficiency	- Customers - Communities - Government and regulatory bodies - Business partners
Intellectual	- ₹ 37 Crores R&D expenditure in last 5 years - 170 Professionals forming part of the R & D and Quality Control Team	Development of various Munitions - Medium & Large calibre munitions - Air Bombs - Anti Tank Mines - Sea Mines	- Diversified product portfolio - New opportunities through technological developments - Partnerships for breakthroughs In-house development for proprietary technology control	- Shareholders and investors - Employees - Communities - Customers
Human	- 10,457 Total employees - ₹ 433.46 Crores Employee benefit expenses - 1,02,006 Training hours - 81,213 Safety training hours	- ~1,83,22,617 Hours of injury-free work - Zero complaints of sexual harassment	- Leadership development and creation of a safe working environment - Building a High-Performing Workforce - Empowering & Supporting Employees - Recruiting & Retaining Top Talent - Fostering a Collaborative & Engaging Workplace safe work environment for all employees	- Employees
Social and Relationship	- 64,370 Number of shareholders - 10,000+ Supplier base - ₹ 12.37 Crores CSR expenditure	- ₹ 286.05 Crores contribution to exchequer - ₹ 92.38 Earnings per share	- Enhanced supplier collaboration - Improved communication and transparency - Improved quality of life - Increased community engagement - Enhanced skills and employability - Increased customer retention rate	- Shareholder and Investors - Customers - Communities - Business partners
Natural	- 7,26,612 KL Water consumption - 8,40,456 GJ Energy consumed	- Increase in utilisation of Biomass 17% - Increase in utilisation of Solar Energy 56%	- Limited environmental footprint - Mitigated the effects of climate change - Reduced Greenhouse Gas Emission - Improved Water Management - Protected biodiversity Data-driven environmental management	- Employees - Communities - Customers

SDGs impacted

How we create value?

Primary Inputs

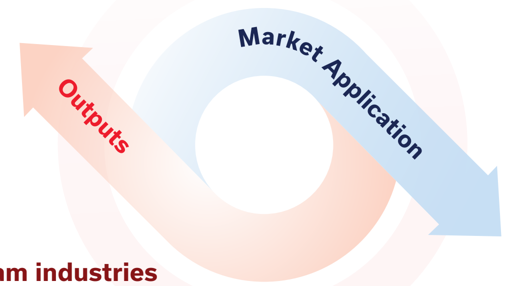
Capital · Raw material · Water · Packaging Material · Manpower · Electricity · Technology · Consumable



The transformation of these inputs into desirable outputs involves a meticulously structured process

Products Portfolio

Bulk explosives · Packaged explosives · Initiating systems · High energy material · Propellants and warheads · Pyros and fuzes · Integration of rockets · Ammunition



Downstream industries

Mining · Well sinking · Housing · Defence · Space · Hydro projects · Road & Infrastructure · Seismic exploration · Irrigation · Space shale gas

Stakeholder Engagement

Ensuring transparency

Our approach to stakeholder engagement is rooted in the understanding that meaningful dialogue and collaboration are pivotal to setting priorities, evaluating risks, identifying opportunities and ethical business conduct. This engagement is a core strategy that enables us to discern and align with the expectations of our stakeholders, ensuring mutually beneficial outcomes for our business and our shareholders.

Our Engagement Framework

Business Partners

Capital Linkages: Financial, Social and Relationship

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Our business partners provide us operational leverage to strengthen the value chain, be cost-effective, sustainable, and meet customer expectations.	— Fair and long-term business relations — Timely payments — Capacity building — Transparency — Value Creation	— E-mail communication — Site visits — One-to-one interactions — Business partner surveys — Structured meetings	N P C A P

Customers

Capital Linkages: Financial, Manufactured, Intellectual, Social and Relationship, Natural

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Our customers provide revenue, shape our brand reputation, drive repeat business, offer feedback for innovation, and provide a competitive advantage in the market.	— Product safety, quality and reliability — Confidentiality in case of sensitive contracts — Operational efficiency — Innovation	— One-to-one interactions — Site-visits — Customer meetings — E-mails — Feedback Mechanism- Online Survey — Digital Channels — Trial and improvement programmes	C P P N A C C P

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

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

Employees

Capital Linkages: Human, Manufactured, Intellectual

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Our employees are at the core of all our operations. With self-supervised structures, we seek to reward people fairly for their work, while assisting them in identifying their purpose so that they become the best they can be with the Company. Their knowledge and expertise in collaborating together are crucial to our development.	— Wellbeing and safety — Fair wages and compensation as per industry standards — Occupational health and safety — Growth opportunities — Talent and skill management — Diversity and inclusion — Learning and development — Job security	— Employee engagement surveys — Joint consultation system — Grievance mechanism — Rewards and Recognition — Face to Face interactions — Cultural events — Trainings and Workshops	A P A C A C E P

Communities

Capital Linkages: Natural, Social and Relationship

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Since the communities in which we operate are our co-progress partners, maintaining a positive relationship with them is essential to preserving our social license to operate.	— Community development — Livelihood opportunities — Health and sanitation initiatives	— CSR initiatives — Field visits — Face to face interactions — Collaboration through NGOs	Engagement as per need

Government and Regulatory Bodies

Capital Linkages: Natural, Social and Relationship, Financial

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Engagement with government and regulatory bodies ensures compliance and business continuity in accordance with legal requirements and evolving regulations.	— Compliance with Industry Norms, Laws and Regulations in substance and spirit — Transparent disclosures — Participation in various industry forums and meetings — Collaboration on National Agenda such as Make in India.	— Reports — One-to-one interaction — Events — E-mail communication — Letters	Engagement as per need

Shareholders & Investors

Capital Linkages: Financial, Social and Relationship

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	
Funds raised from investors and financial institutions in the form of equity, debt and accruals are the growth drivers of our financial capital.	— Consistent, competitive and profitable growth and returns — Consistent dividend pay-outs — Superior stakeholder returns through optimal utilization of resources — Better disclosures, transparency and credibility of financials — Effective risk management — Wealth creation — Sound governance practices	— Annual general meetings — Conference call — Press releases — Annual reports — News channels — Website updates — Stock Exchange releases — Investors Grievances and Redressal Mechanism's	A Q Q A E C P E

Risk Management

Proactively mitigating threats

We employ an integrated risk management process to ensure effective mitigation of risks.

Our comprehensive approach ensures regulatory compliance, safeguards our reputation, minimises adverse impacts, and enables us to capitalise on emerging opportunities. Through thoughtful actions and proactive measures, we navigate financial headwinds, operational challenges, reputational risks, and market dynamics. This method guarantees the sustained growth and stability of our business.

Financial Risks

R1 Material Availability and Inflation

Root Cause
Volatility in global markets and supply chain disruptions

Impact
Increased costs and potential disruptions in production

Mitigation Actions
- Price escalation clauses
- Quarterly price tracking
- Industry dynamics research
- Strong supplier relationships

Opportunities
- Efficient supply chain management
- Innovation in materials and production technologies

Capitals Impacted

Priority

R2 Liquidity Risk

Root Cause
Unexpected expenses, payment delays, market changes, delay in procurement

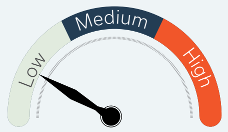
Impact
Inability to meet short-term financial obligations

Mitigation Actions
- Treasury management systems
- Financial control and cost optimisation

Opportunities
- E- Exploring new financing options
- Competitive borrowing rates through partnerships with financial institutions

Capitals Impacted

Priority



Capital Linkages: Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural

R3 Interest Rate Risk

Root Cause
Fluctuations in domestic and international interest rates

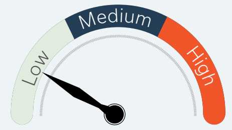
Impact
Increased borrowing costs, affecting profitability

Mitigation Actions
- Interest rate hedging
- Investment diversification
- Debt management
- Maintaining cash reserves

Opportunities
- Optimising asset-liability mix
- Innovative cash management practices

Capitals Impacted

Priority



R4 Foreign Exchange (FX) Risk

Root Cause
Currency exchange rate volatility

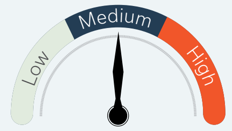
Impact
Affects cost of raw materials and product competitiveness in international markets

Mitigation Actions
- Regulated hedging strategies
- Limiting exchange volatility impact on receivables and forecasted revenue

Opportunities
- Currency exposure hedging
- Market diversification to mitigate currency risk

Capitals Impacted

Priority



Strategic and Commercial Risks

R5 Macroeconomic Risk

Root Cause
Cyclical industry demand linked to mining, construction and infrastructure sectors

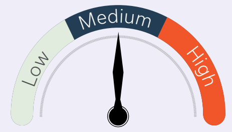
Impact
Reduced demand during economic downturns, impacting operational and financial performance

Mitigation Actions
- Supply chain diversification
- Investment in contingency plans
- Broad market reach to buffer economic slowdowns
- Diverse product portfolio

Opportunities
- Developing new products and services for varying geopolitical conditions
- Expanding into new, less volatile markets
- Building a flexible and Robust business model

Capitals Impacted

Priority



R6 Customer Experience and Retention Risk

Root Cause
Fluctuations in global economic conditions and commodity prices

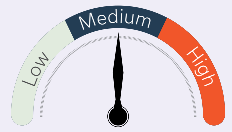
Impact
Volatility in customer demand

Mitigation Actions
- Establishing a strong brand reputation
- Building customer loyalty through relationships
- Utilising data analytics for market insights
- Innovative product development

Opportunities
- Customising products for existing customers
- Flexible production and pricing models
- Expanding into new geographies
- Research and develop innovative products that enhance our revenue stream.

Capitals Impacted

Priority



R7 Reputational Risk

Root Cause: Societal and investor demands for environmental, safety and social responsibility

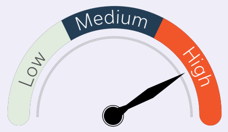
Impact: Potential reputational damage, regulatory scrutiny and reduced investor confidence

Mitigation Actions
- Investing in sustainable technologies and safety improvements
- Engaging with stakeholders and communities
- Transparent communication of strategies and actions

Opportunities
- Strengthening stakeholder engagement
- Developing compliance technologies to streamline regulatory processes Research and develop innovative products that enhance our revenue stream.

Capitals Impacted

Priority



Operational Risks

R8 Supply Chain Resilience Risk

Root Cause: Challenges in raw material availablity, transportation, compliance and supplier relationship.

Impact: Potential disruptions in production and delivery

Mitigation Actions
- Diversifying the supply chain
- Investing in logistics and compliance
- Strong supplier relationships
- Extensive planning and forecasting

Opportunities
- Developing value-added supplier partnerships
- Enhancing supply chain effectiveness with technology
- Innovative logistics solutions

Capitals Impacted

Priority

R9 Obsolescence Risk

Root Cause: Rapid technological advancements

Impact: Risk of existing technologies becoming outdated, leading to loss of productivity and competitiveness

Mitigation Actions
- Monitoring technological trends
- Investments in new systems and procedures
- Close relationships with tech providers and R&D investments

Opportunities
- Increased production and efficiency through technological advancement

Capitals Impacted

Priority

R10 Cybersecurity Risk

Root Cause: Unauthorised access, data breaches, cyber-attacks

Impact: Compromise of critical infrastructure and intellectual property

Mitigation Actions
- Implementing robust cybersecurity protocols
- Regular analysis and updates of IT security procedures

Opportunities
- Development of advanced cybersecurity technologies to enhance protection

Capitals Impacted

Priority

Capital Linkages: Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural

ESG Risks

R11 People Risk

Root Cause: Shortage of qualified and experienced employees

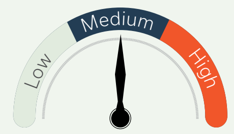
Impact: Delays, increased costs, reduced productivity

Mitigation Actions
- Developing recruitment and retention strategies
- Investing in training and development programmes

Opportunities
- Fostering a forward-looking culture for talent nurturing and succession planning

Capitals Impacted

Priority



R12 Safety, Health and Environment (SHE) Risk

Root Cause: Technical complexity and potential safety lapses in operations

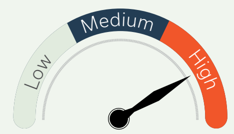
Impact: Risks to employee and societal health, safety and environmental impact

Mitigation Actions
- Robust SHE framework management
- Risk recognition and mitigation
- Investment in safety equipment and training
- Implementing strict safety protocols

Opportunities
- Developing new safety technologies
- Establishing global industry benchmarks for safety and health standards

Capitals Impacted

Priority



R13 Regulatory Compliance Risk

Root Cause: Strict regulations and poor governance practices

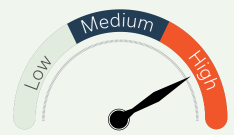
Impact: Non-compliance, legal penalties, operational disruptions

Mitigation Actions
- Training on code of conduct and ethics
- Board oversight of corporate governance
- Adherence to legal and compliance regulations
- Independent oversight and audits

Opportunities
- Reinforcing moral integrity and ethical conduct across the organisation
- Integrating ethical concepts and behavioural norms at all levels of the organisation

Capitals Impacted

Priority



R14 Carbon Intensive Material Risk

Root Cause: Shift towards a low-carbon economy and regulatory changes

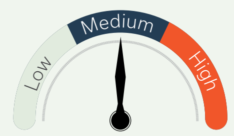
Impact: Increased regulatory pressures and potential operational disruptions due to emission regulations

Mitigation Actions
- Sustainable business practices and transparency
- Emission assessments and target setting
- Resource recycling and waste reduction
- Energy-saving measures

Opportunities
- Development of low-carbon products and technologies
- Acceleration of decarbonisation initiatives
- Promotion of renewable energy use
- Innovation in reducing costs and emissions

Capitals Impacted

Priority



Capital Linkages: Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural

Board of Directors

Shri Satyanarayan Nandlal Nuwal
Chairman and
Non-Executive Director

Shri Manish Satyanarayan Nuwal
Managing Director and
CEO

Shri Suresh Menon
Executive Director

Shri Milind Deshmukh
Executive Director

Shri Natrajan Ramkrishna
Non-Executive
Independent Director

Shri Jagdish Chandra Belwal
Non-Executive
Independent Director

Smt. Rashmi Prasad
Non-Executive
Independent Director

Shri Dinesh Kumar Batra
Non-Executive
Independent Director

Integrated Strategy

for value creation

Financial **Manufactured** **Intellectual** **Human** **Social and Relationship** **Natural**

At Solar, our persistent focus remains on the judicious allocation of resources to deliver sustainable returns to all our stakeholders. Prudent monetisation of assets, coupled with substantial investments in R&D and growth opportunities, enables us to further strengthen our financial capital.

Financial Capital

SDGs covered

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topics

Economic Performance	Business Resilience	
Increase in Revenue in past 10 years	Increase in PAT in past 10 years	Increase in Market Capitalisation in past 10 years
349% ↑	494% ↑	1196% ↑

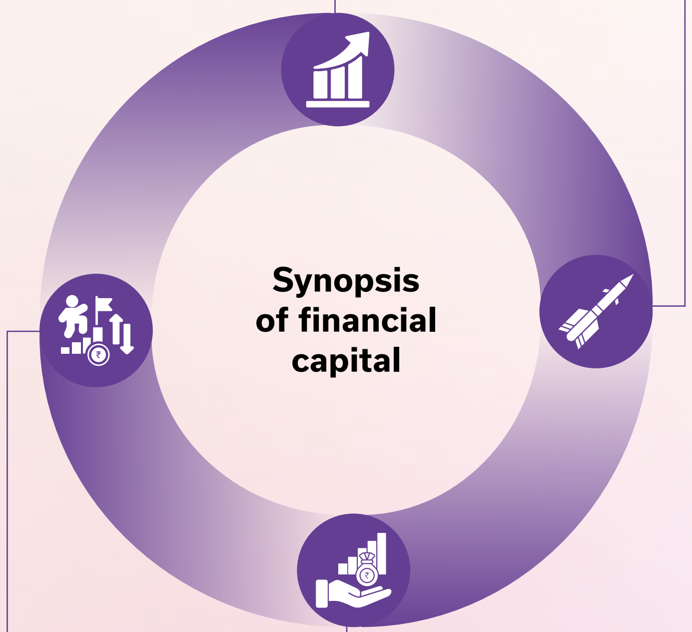
Financial Capital (contd.)

Volume growth

Our performance was marked by a notable domestic sales volume growth of around **20%** year-over-year, driven by contributions from industrial explosives and ammunition, with sustained demand across its application sectors.

Defence Sector

We witnessed considerable advancements in our Defence Sector order book by securing export orders worth **₹ 455 Crores and ₹ 994 Crores, taking our total order book value to ₹ 2,600 cr+ .** This business is poised for further expansion; and we are anticipating substantial revenue growth in the coming year.



International business and challenges

Globally, we have encountered several challenges, including high inflation and volatile currencies. Despite these obstacles, our resilience is evident as we prepare to expand into new markets. This planned expansion aligns with our goal of diversifying and strengthening our global footprint.

Capital expenditure and future outlook

We have allocated around **₹ 668** Crores as capital expenditure to enhance our operational capacities and drive our future growth. This investment is aimed at expanding our market presence and incorporating innovative technologies that will enable us to consolidate our market position.

Net Sales (₹ in Crores)

FY24	6,069.52
FY23	6,922.53
FY22	3,947.61
FY21	2,515.63
FY20	2,237.30

EBITDA (₹ in Crores)

FY24	1,413.68
FY23	1,320.44
FY22	766.92
FY21	536.02
FY20	475.37

PAT (₹ in Crores)

FY24	875.23
FY23	811.17
FY22	455.47
FY21	288.07
FY20	278.67

Market Cap (₹ in Crores)

FY24	79509
FY23	33,625
FY22	25,359
FY21	11,560
FY20	8,885

Net Worth (₹ in Crores)

FY24	3,306
FY23	2,610
FY22	1,914
FY21	1,579
FY20	1,380

Return on Net worth (in %)

FY24	25
FY23	29
FY22	23
FY21	18
FY20	19

Capital employed (₹ in Crores)

FY24	4,038
FY23	3,234
FY22	2,469
FY21	2,084
FY20	1,685

Return on capital employed (in %)

FY24	32
FY23	37
FY22	27
FY21	21
FY20	23

At Solar, our manufacturing prowess enables us to ensure the quality of our offerings. We operate state-of-the-art, multi-locational facilities and employ advanced processes to develop a wide range of products for mining to defence and space applications. Our products are catering to the diverse needs of customers across the globe.

Manufactured Capital

SDGs covered

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Material Topics

Product Safety and Quality

High quality standards and compliance

ISO 17025-2017

ISO 9001-2015

Increase in domestic Sales Volume

20%

Manufactured Capital (contd.)

We have meticulously structured our business model over the years to ensure sustained performance and consistent growth, particularly in the defence, infrastructure, and mining sectors. By leveraging our extensive knowledge and deep domain expertise, we have continuously expanded our capabilities to develop an extensive product portfolio.

Our strategically located bulk plants near mining sites allow us to efficiently serve the mining industry customers, strengthening our market leadership in the space. We have established ourselves as a trusted partner for the Mining, Infrastructure, and Defence sectors by consistently delivering a comprehensive range of high-quality products that meet diverse and specialized demands of our customers.

Our offerings have evolved to include bulk explosives, packaged explosives, initiating systems, and specialized products for defence applications. This diversification enables us to provide our customers with a one-stop solution for all their requirements, demonstrating our commitment to excellence and innovation.

A business model with a difference

Our ability to integrate backward has been integral to crafting a dynamic business model that consistently delivers products. This strategic approach has enabled us to streamline our operations, enhance efficiency, and maintain high standards of quality across our offerings.

By controlling more of our supply chain, we have strengthened our position in the market and ensured a reliable supply of essential materials. This backward integration supports our commitment to meeting the diverse and specialized demands of the defense, infrastructure, and mining sectors with a comprehensive range of high-quality products.

Our backward integration efforts have allowed us to refine our production processes, reduce costs, and respond swiftly to market changes. This not only bolsters our ability to deliver superior products but also reinforces our status as a trusted partner in the industry. Through these initiatives, we continue to build a resilient and innovative business model, driving sustained performance and growth.

Assuring Excellence

Our reputation for delivering top-tier products is built on a relentless commitment to quality across all our downstream industries. We constantly strive to provide exceptional value through rigorous standards and continuous improvement.

As a company with a certified Quality Management System (QMS), we proudly hold Conformité Européenne (CE) accreditation for our exported products, ensuring they meet the highest international standards. Additionally, our laboratory's accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL) for TNT/HE explosives further underscores our dedication to precision and excellence in all aspects of our operations.

Building future-ready operations

We have implemented advanced instrumentation and interlocks to monitor and control key manufacturing parameters. To ensure adherence to standard operating procedures and gather feedback from all levels, we leverage Industrial Internet of Things (IIoT) technology. This technology enables us to track critical manufacturing metrics from strategically positioned control towers, with real-time data communicated to higher management. These measures not only drive operational efficiency and profitability but also foster cross-functional synergies across our manufacturing units.

To enhance our operations and align with evolving industry practices, we have significantly invested in innovative supply chain technologies throughout the fiscal year. At a pilot site, we successfully implemented a scheduling and tracking solution for raw materials and packaging materials (RMPM). This technology has revolutionized our supply chain visibility and accuracy, allowing us to schedule RMPM orders efficiently and track their delivery in real-time. Consequently, we have achieved cost reductions, optimized inventory management, and ensured timely product deliveries to our customers.

We are also exploring the potential of machine learning-based data analysis to strengthen our decision-making capabilities and proactively mitigate potential risks. By leveraging advanced analytics and machine learning algorithms, we have improved our supply chain performance and identified opportunities for further enhancements.

For the delivery of finished products to our global operations, we have deployed advanced digital systems. These systems offer extensive status tracking from the receipt of an order to its delivery at the final destination. Our dispatch and transport department has adopted robotic process automation (RPA), automating numerous non-value-added tasks, reducing lead times, and increasing accuracy.

Additionally, we have developed comprehensive dashboards that provide detailed insights into the supply chain with drill-down functionality. We continuously strive to automate various processes to reduce costs, increase efficiency, and improve overall supply chain performance. Our commitment to staying at the forefront of industry practices ensures that we maintain operational excellence in the dynamic and demanding explosives sector.

At Solar, we aim to maintain our leadership in the global explosives sector through continuous innovation. By leveraging our Intellectual Capital, we drive focused transformation and reinforce our position as a trusted partner for our customers. This approach ensures we remain at the forefront of industry advancements and consumer satisfaction.

Intellectual Capital

Material Topics

R&D	Innovation	Digitization
Expenditure on R&D in 5 Years (₹ in Crores) 37 R&D Quality Workforce (Nos.) 170	Integrated several advanced technological systems to **streamline operations and improve efficiency**	140+ Projects by **Digitization and Automation Research Team In past 3 years.**

SDGs covered

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Intellectual Capital (contd.)

Building on strong R&D capabilities

With a strong focus on research and development in defence, aerospace, and industrial explosives, we synergize our efforts with enhancements in manufacturing capabilities. Through rigorous research, strategic collaborations, and investment in technologies, we aim to pioneer solutions that meet the evolving needs of our customers while ensuring top-notch quality and efficiency in our manufacturing processes.

Adopting best-in-class manufacturing technologies

At Solar, we continuously strive to enhance our manufacturing capabilities by employing advanced technologies and leveraging state-of-the-art machinery. Besides these efforts, we integrate the Industrial Internet of Things (IIoT) into our processes for achieving greater operational efficiency and ensuring top notch product quality.

Driving product development and innovation forward

Our strategic approach to R&D in the defence and aerospace sectors is driven by a deep understanding of market demands and technological advancements. We carefully identify and prioritise new projects that align with both immediate market demands and long-term technological trends. This methodical selection process, coupled with our focus on developing ammunition and defence systems in-house further solidifies our position as a leader in the industry.

Aligning our R&D efforts with global defence trends

The use of drones and Unmanned Aerial Vehicle (UAVs) in conflict zones has revolutionised defence strategies, highlighting the need for sophisticated defensive and offensive systems. In response to this, we have undertaken R&D initiatives to offer cutting-edge solutions that enhance the capabilities of armed forces and security agencies. We focus on creating systems that are versatile, scalable and capable of addressing the multifaceted challenges of modern military engagements.

Collaborative efforts

At Solar, we understand the power of strategic partnerships to improve our R&D efforts and technological capabilities. We collaborate with defence research organisations, academic institutions, startups and industry leaders. These alliances enable us to achieve breakthroughs in ammunition, rocket systems and UAV technologies.

Optimised operational efficiency

At Solar Industries, we have integrated advance technologies to streamline our production and distribution processes. These improvements allow us to manage our supply chain and cater to customer requirements effectively.

At Solar Industries, we invest in our workforce to enhance their skills and potential. We cultivate a high-performance culture through comprehensive training and development programmes, ensuring our employees' needs are met while achieving business goals.

Human Capital

SDGs covered

Material Topics

Occupational health and safety

Hours of injury free work

~1,83,22,617

Person-hours of safety training

81,213

Employee learning and development

Total training hours

1,02,006

Training and development sessions covered

484

Human rights

Instances of Sexual Harassment

Zero

Employee complaints under Vigil Mechanism

Zero

Diversity and inclusion

Mothers returned after their maternity leave with same role or successful role transfers

100%

Human Capital (contd.)

Recruiting the best

A detailed competency framework and extensive evaluation procedures guide our hiring processes. We undertake a rigorous selection process that is designed to identify top talent that aligns with our company values and goals. To optimise the recruitment process and make it more efficient and comprehensive, we leverage a blend of digital platforms and in-person interactions.

We also utilise external resource portals to identify potential candidates. Recently, we launched an online portal, which serves as a hiring management tool, enhancing the experience for both new hires and potential candidates.

Creating a collaborative workspace

We undertake various well-thought-out employee engagement initiatives to create a truly engaged workforce. Our employee engagement programmes enable our entire workforce to interact with co-workers from different departments, facilitating the exchange of ideas and cross-functional collaboration.

Engagement surveys

We prioritise creating a supportive environment that promotes both the personal and professional growth of our employees. To achieve this objective, we conduct employee engagement surveys to gauge employee satisfaction and solicit valuable feedback, which further guides our continuous improvement efforts. We seek to understand and address the genuine concerns and suggestions of our team members.

Furthermore, gathering feedback from new hires at crucial milestones, such as 30 and 90 days after their joining dates, enables us to assess their level of engagement and promptly resolve any issues that may arise during their early tenure with the Company. This approach fosters a positive onboarding experience and underscores our commitment to supporting our employees right from the beginning.

Grievance redressal mechanism

We foster an open culture that encourages team members to voice their concerns by directly communicating with their managers or during interactions with top management. By implementing a robust and anonymous grievance redressal system, complemented by regular town hall meetings to address general concerns, we maintain a supportive work environment. We have established multiple channels for soliciting employee feedback and resolving their concerns to continuously improve and enhance employee satisfaction.

01 **Identify the issue**
The employee recognises a concern

02 **Discuss**
Begins an informal discussion with the immediate manager

03 **Escalate**
If unresolved, the employee files a formal grievance

04 **Review**
An independent committee reviews and mediates the grievance

05 **Resolve**
Implement a resolution and follow up

06 **Conclude**
If resolved, the issue is closed; if not, it is escalated to senior management for a final decision.

Fostering a winning culture

To acknowledge exceptional work and recognise employees who have outperformed, we have a comprehensive rewards and recognition policy. This includes the provision of performance-related bonuses and long-term incentives for pivotal roles within the Company. Our rewards and recognition policy serves as a constant reminder of how much we value diligence and dedication. Rewards and recognition are also a part of our Town Hall meetings and Annual Day celebrations.

Human Capital (contd.)

Building a diverse talent pool

At Solar, we champion a work culture that embraces diversity and recognises the value of varied backgrounds, experiences and perspectives. Our HR policies are Deligently crafted to promote equality and inclusion, ensuring that our workforce is equipped with the requisite skills, understanding and adaptability to meet the expectations of a rapidly evolving industry. We are committed to fairness in our remuneration and career advancement opportunities, which are strictly based on performance, irrespective of demographics.

To further bolster our commitment to workplace safety, we strictly adhere to the Prevention of Sexual Harassment (POSH) guidelines. In addition, we organise training sessions for our HR teams on conducting Behavioural Event Interviews to address and mitigate unconscious biases during the hiring process. Our focus on local hiring promotes community integration and diversity, ensuring that employment is based solely on competence and qualifications.

Making learning and development continuous

At Solar, we are committed to nurturing a culture of continuous improvement and learning. To ensure that our team members stay ahead of the curve, we have introduced a suite of learning initiatives. These include innovative programmes such as the Learning Curve and e-learning modules, which can be easily accessed from online platforms, including Microsoft Teams. These learning programmes cover a wide range of topics, ranging from technical and functional knowledge to behavioural skill development.

These training programmes are conducted regularly, both online and in person, and are designed to enhance all relevant skills—helping our workforce adapt to evolving workplace dynamics. We have also engaged both internal and external industry experts to orchestrate targeted skill enhancement programmes. Our efforts extend to collaborations with renowned educational institutions to further enrich our employees' skill sets.

Value proposition for our team members

We empower mothers returning from maternity leave by extending personalised assistance to them. Some of our efforts include providing them with flexible work arrangements, transfers to suitable roles and programmes tailored through focus groups to address their specific needs. We prioritise the professional growth of working mothers and consider employee preferences for job locations. By creating a supportive environment that values employee well-being, we ensure a seamless reintegration process that ultimately contributes to organisational success.

To support the diverse needs of our personnel, we offer them a comprehensive benefit package that encompasses competitive healthcare coverage, retirement planning and other accidental insurance plans. This ensures that our employees are well taken care of and can focus on their work with peace of mind.

Ensuring employee well-being

Across all operational aspects, ensuring the well-being of our team members remains our foremost priority. We regularly conduct mock drills and safety training sessions to ensure our adherence to stringent safety standards as well as to mitigate occupational hazards. We have a comprehensive health and safety policy that determines proactive measures, fostering a culture where everyone takes responsibility for safety. Oversight by a dedicated committee further ensures the continuous refinement of safety protocols through audits and stakeholder consultations.

Our commitment to safety extends to extensive analyses, such as Job Safety Analysis (JSA) and Hazard Identification and Risk Analysis (HIRA), to identify and address potential hazards.

Deploying best-in-class tech advancements

We incorporate advanced technologies to streamline operations and enhance productivity. Additionally, we leverage global payroll platforms for seamless HR operations, outsourcing our payroll system for accuracy and reliability. Our HRMS facilitates the complete digitalisation of attendance and leave processes, optimising HR workflows and improving the employee experience.

Safeguarding human rights

At Solar, we have a zero-tolerance stance towards the violation of human rights. We have stringent policies in place to prevent any breaches and maintain a safe and equitable working environment. Our adherence to these policies ensures that all our personnel are treated fairly and with respect.

At Solar, we prioritise fostering positive and cooperative relationships with our stakeholders by building trust, loyalty, and social responsibility. Beyond financial metrics, we promote collaboration, transparency, and sustainability. By meeting the changing needs of our customers and driving inclusive growth in our communities, we create a robust ecosystem of mutual support and shared prosperity, delivering value for all our stakeholders.

Social and Relationship Capital

SDGs covered

Material Topics

Customer Satisfaction	Community Relations
Number of satisfied customers with 10+ year relationship: 225+	CSR expenditure (₹ in Cr): 12.37
No. of Suppliers across Value Chain: 10,000+	CSR Spent in last 5 years (₹ in Cr): 46.37

Social and Relationship Capital (contd.)

Uplifting communities

At Solar, we recognize that our true strength lies in the relationships we cultivate and the social impact we generate. By forging partnerships with local communities, non-governmental organizations, and industry peers, we can leverage diverse perspectives and resources to address complex challenges. By investing in community projects and supporting local enterprises, we help to build stronger, more resilient communities that can thrive independently.

Education

Recognising education as a fundamental right, Solar is dedicated to diminishing educational disparities. We focus on upgrading school facilities to ensure that children in underprivileged areas have access to a supportive educational environment. Our goal is to impact these young lives positively, equipping them with necessary skills and knowledge to enable their own and their community's future growth.

Healthcare

We are involved in enhancing healthcare infrastructure by upgrading hospital facilities and supplying essential medical equipment. Additionally, we host free health clinics and advocate for preventative health measures, aiming to improve community health standards comprehensively.

Rural Development

Our commitment to rural development includes supporting organisations that boost the economic and social well-being of rural populations. Initiatives range from improving agricultural methods to increasing access to clean water, all designed to promote sustainable development and elevate living conditions in rural areas.

Animal Welfare

We extend our CSR efforts to include animal welfare, supporting projects that ensure humane treatment and care for animals. This includes funding shelters, promoting responsible pet adoption, and educating the public on animal care practices.

Social and Relationship Capital (contd.)

Women Empowerment and Skill Development

We are dedicated to promoting economic independence through skill development, particularly among women and youth. Our programs provide training, scholarships, and entrepreneurial support, aimed at enhancing employability and supporting women empowerment.

Environment

We believe that contributing to the well-being of our planet is not just a corporate obligation but a fundamental aspect of our role as a responsible global citizen. By partnering with schools, local organisations, and community groups, we aim to empower individuals with the knowledge and tools they need to make environmentally responsible decisions in their daily lives.

Engaging with suppliers

We strive to establish strong and lasting partnerships with our suppliers to guarantee business continuity. By closely collaborating with them and leveraging their expertise, we cultivate a synergistic environment that drives mutual success and creates substantial economic value for all involved.

A structured approach to vendor management

Our vendor management process ensures both efficiency and consistent compliance through four key stages-

01 Identification

We assess potential suppliers who align with our operational needs and ethical standards.

02 Registration

Comprehensive business and financial information is captured through our user-friendly supplier portal.

03 Onboarding

New suppliers are seamlessly integrated into our systems for smooth collaboration.

04 Verification

We conduct thorough due diligence to verify compliance and suitability for long-term collaboration.

Robust supplier practices

We follow a responsible sourcing model, seeking suppliers who share our commitment to sustainability, which extends our focus to support local suppliers. Additionally, we have invested in digitalisation initiatives in supply chain management to seamlessly integrate suppliers into our operations. This allows for efficient management throughout the entire process, from initial assessment and onboarding to ongoing compliance monitoring.

Adopting a customer-centric approach

Besides meeting customer expectations, we prioritise ensuring the safety, quality and reliability of our products. To this end, we engage with customer through visits, technical seminars and safety workshops. Their valuable feedback inspires continuous improvement. Besides, we leverage performance analyses to ensure that our products remain best-in-class.

We provide responsive customer services and have a dedicated technical team in place to efficiently address complaints, ensure compliance with regulatory standards and offer comprehensive training on product usage. These practices have enabled us to build long-term relationships with our customers, many of whom have remained with us for over a decade.

Creating shareholder value

Our core focus is on providing consistent returns to our shareholders. We prioritise maintaining a stable growth trajectory and ensuring a strong, resilient financial position. Our approach is centered on continuous improvement and strategic foresight, targeting sustainable and predictable expansion. By optimising our operations, we aim to enhance profitability and reduce unnecessary expenses and inefficiencies. This disciplined management ensures we maximize returns while maintaining operational sustainability. Through these focused efforts, we are committed to not just achieving short-term financial goals but also securing long-term prosperity and stakeholder trust.

Shareholder's Base as on March 31, 2024

64,370

We strive to make a positive impact on the environment and planet. We acknowledge our responsibility in achieving business growth with environmental stewardship and, hence, undertake well-calibrated measures to curb our carbon footprint.

Natural Capital

SDGs covered

Material Topics

Climate Change, Energy and Emissions

Total GHG emissions (scope 1 & 2)

70,871

Environmental Risk and Compliance

Environmental incidents

Zero

Water Conservation and Management

Wastewater treated and recycled (in KL)

112,340

Waste and Hazardous Materials Management

Hazardous waste disposed (in MT)

2,996

Biodiversity

Impact on endangered flora and fauna within our operational zones

Zero

Zero Liquid Discharge (ZLD) Compliant

Natural Capital (contd.)

Energy and emissions management

At Solar, our commitment to contribute to the global fight against climate change drives us to continuously innovate and enhance our products while focusing on reducing our environmental footprint. Understanding the implications of climate change on the environment, we focus on minimising greenhouse gas (GHG) emissions and exploring sustainable practices and technologies. Our approach involves enhancing energy efficiency, increasing the use of renewable energy and collaborating with our suppliers and partners to implement sustainable solutions across our value chain.

Decarbonisation

We are envisioning a low-carbon future and striving to decarbonise our operations. We conduct Life Cycle Assessments to find ways to make our products more eco-friendly. This approach enables us to develop new solutions that meet customer needs and adhere to stringent environmental rules. We also follow a decarbonisation roadmap to cut emissions throughout our operations, from procurement to final product.

Water management

At Solar, we leverage world-class systems to monitor and manage our water footprint. By preventing contamination and minimising the impact on local water bodies, we protect water quality. Our efforts extend throughout our value chain as we collaborate with suppliers and partners to promote sustainable water management practices. We have reduced our reliance on public and regional municipal water sources, supporting the local community residing in a water-stressed zone.

Waste management

We take a multi-pronged approach when it comes to curbing waste generation and resource consumption. Waste compactors are in place that effectively reduce waste volume, facilitate efficient recycling and minimise the number of collection trips required. Additionally, an upgraded effluent collection system eliminates clogging issues, reduces rainwater overload and improves workplace safety by minimising trip-and-fall hazards.

Further, by identifying reusable and recyclable materials, coupled with conducting employee awareness campaigns promoting waste reduction, we have achieved a decrease in overall waste generation. This has translated to reduced resource consumption, ultimately leading to cost savings.

Waste recycled | (in MT)

5,226

Employee volunteering

This year, our employees have been consistently involved in our sustainability initiatives at both the plant and corporate levels. Our focus in these programmes has been on improving operational efficiency and promoting the adoption of renewable energy. As part of our endeavours, our people have contributed to transitioning our boilers to briquette-based fuels and increasing our renewable energy consumption. Also, these efforts have helped us identify opportunities for process enhancements at our plants.

Environmental data management

Recognising the critical role of data analysis in minimising our environmental impact, we implemented a programme to enhance data tracking and analysis capabilities. This precise information is essential for measuring our energy consumption, emissions, water usage and waste generation. Our approach involved continuous engagement with personnel through targeted capacity-building sessions.

With a more sophisticated data tracking system and increased data accuracy, we are now well-positioned to make considerable progress in our environmental initiatives. Success of these initiatives will further enable us to contribute to the UN Sustainable Development Goals.

Biodiversity preservation

At Solar, we understand the critical link between a thriving planet and prosperous communities. We diligently strive to minimise our environmental impact and execute sustainable development initiatives. Our biodiversity preservation is guided by a multi-faceted approach, which entails-

Proactive Environmental Assessments

Prior to any new site activation, comprehensive environmental assessments identify potential risks to biodiversity. This enables us to implement targeted mitigation strategies from the outset.

Regulatory Adherence

Stringent compliance with all applicable environmental laws and regulations, including the Wildlife Protection Act of 1972, is a non-negotiable aspect of our operations.

Continuous Biodiversity Monitoring

We monitor the biodiversity within our operating areas to take swift and effective actions to address any potential concerns.

Our Sustainability Approach and Strategy

With sustainability being a bar of excellence constantly rising to measure our success, we strive harder in the Environment, Social and Governance (ESG) areas to emerge as a global leader in the manufacturing of industrial and defence explosives.

With our vision to be an innovative solution provider having keen focus on safety, quality, and reliability, we strive to create a positive impact on the environment, and the well-being of the communities while protecting the ethical standards of our Company.

ESG Vision

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

Cornerstones of our ESG Strategy

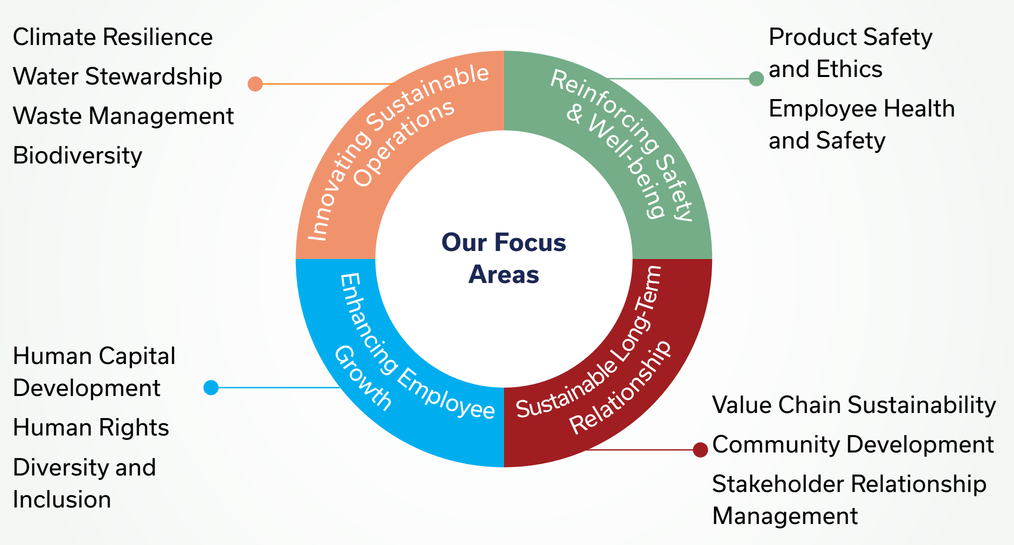
The four strategic pillars of our ESG strategy guide us to create a positive impact on the environment and society where stakeholders can find value and the business can create growth.

Innovating Sustainable Operations	Reinforcing Safety and Well-Being	Enhancing Employee Growth	Sustaining Long Term Relationship
Mitigating climate related risks by reducing emissions, enhancing energy efficiency, and harnessing renewable energy sources	Emphasizing on health and safety of our workforce by maintaining rigorous safety standards while also striving continuously to enhance the safety and reliability of our products	Focusing on expanding our workforce by promoting employee engagement, safeguarding human rights, and fostering a culture of diversity and inclusion	Partnering with our value chain partners, local communities, and other essential stakeholders to promote inclusivity and sustainability

The Company desires to have a fruitful and mutually beneficial relationship with sustainability, not merely tick mark it as a regulatory obligation.

Our Focus Areas

The four strategic pillars of our ESG strategy narrow their focus further into 12 areas to amplify our efforts to promote growth and exert our positive influence for community care; they bring together a spectrum of stakeholder interests for us to work on



Materiality Assessment

Materiality Assessment forms the basis of our sustainability strategy helping us prioritize areas impacting our business and affecting our stakeholders. The assessment helps us to channelize our resources efficiently to fulfill our sustainability goals and create stakeholder value.

	Environment	Social	Governance
Material Topics	• Climate Change, Energy, and Emissions • Environmental Risk and Compliance • Water Conservation and Management • Waste and Hazardous Materials Management • Biodiversity	• Occupational Health and Safety • Diversity and Inclusion • Employee Health and Well-being • Human Rights • Skill Development • Product Safety and Security • Customer Satisfaction • Supply Chain Management and Materials Sourcing • Community Relations	• Economic Performance • Business Resilience • Regulatory Compliance • Ethical Business Conduct • Critical Incident Risk Management • R&D • Innovation
Impacted Capital	Natural Capital	Manufactured Capital Human Capital Social and Relationship Capital	Financial Capital Intellectual Capital
Impacted SDG			

Environment Stewardship

Embracing the ethos of 'One Planet, One Family' as a guiding principle, we recognize that the health of our planet is intrinsically linked to the well-being of all our inhabitants, in the present and future.

With this understanding, we commit to sustain our planet's ability to withstand challenges and championing sustainability through diverse endeavors. From transitioning to eco-friendly fuel and sustainable operational methods, to embracing a circular economy, our aim is to harmonize with the Sustainable Development Goals (SDGs).

Key Highlights

Key manufacturing sites are

ISO 14001:2005, certified

Increase in utilization of Solar energy

56%

as compared to FY 2022-23

Increase in utilization of Biomass

17%

as compared to FY 2022-23

Our Sites are

'Zero Liquid Discharge'

Compliant

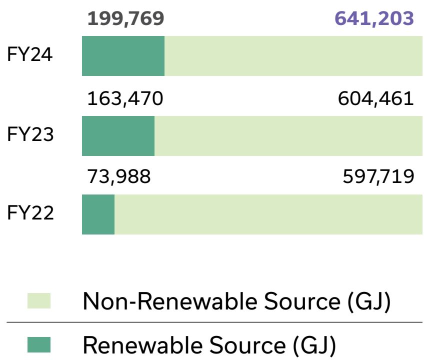
'Life Cycle Assessment study done for all key products as per ISO 14040/44'

SDG Linkages

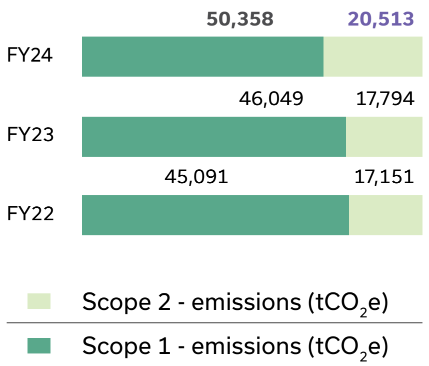
Climate Change, Energy and Emissions

With an intent to combat climate change and generate a long-term value for all stakeholders, sustainability takes precedence across our operational endeavors. We systematically evaluate the potential repercussions of climate change and diligently work towards mitigating Greenhouse Gas (GHG) emissions. While coal remains our primary energy source, supplemented by electricity, we are actively diversifying our energy portfolio to incorporate renewable sources. Through a diverse range of initiatives, we persistently uphold our pledge to minimize our carbon footprint.

Total Energy Consumption



Carbon Emissions



*__Note__ - The total energy consumption and carbon emissions has increased due to rise in overall production capacity as compared to FY 2022-23.

Air Emissions

At Solar Group, we strive to minimize the air emissions originating from our plant operations. In alignment with regulatory requirements, subject to third-party audits, we have implemented an Online Continuous Emission Monitoring Systems (OECMS) to ensure the flue gases emitted are within the stipulated limits. We are increasing usage of biomass briquettes replacing conventional coal in our boilers thereby reducing the SOx & NOx related air emissions.

Climate Strategy and Decarbonization

As a responsible corporate entity, we have developed a comprehensive climate strategy aimed at decarbonization and we meticulously track relevant metrics to ensure regular progress towards sustainability goals. Below highlights our key target areas to achieve the same:

Emissions Reduction Measures	Energy Efficiency Enhancements	Transition to Cleaner Energy Sources
Implementing emission reduction measures throughout our value chain. This involves optimizing transportation logistics to minimize emissions, enhancing combustion efficiency in manufacturing processes, and exploring alternative materials with lower carbon footprints.	We prioritize energy efficiency enhancements across our manufacturing processes and facilities. By investing in state-of-the-art technologies and implementing best practices, we aim to minimize energy consumption and reduce greenhouse gas emissions associated with our operations	Recognizing the significance of transitioning away from fossil fuels, we are actively exploring the utilization of renewable sources of energy into our operations to integrate cleaner energy sources, reduce carbon footprints and improve the adoption of cleaner fuels to power manufacturing processes

Reduction in Energy Consumption

Recognizing the pivotal role of electricity consumption in our operations in FY 2023-24, we have installed VFDs (Variable Frequency Drive) on air compressors to ensure optimum power consumption and enhance efficiency. The said initiative yielded significant benefits as stated below:

Emissions ↓

62.3 tCO_2e

Energy Consumption ↓

87,000 kWh

Shifting to Alternative Fuel

To minimize our environmental impact, we encouragingly use briquettes, which now constitute 14%% of our total fuel consumption in FY 2023-24 and we aim to increase it progressively in the coming years. This shift to alternative fuels has led to a reduction of 110 tons of CO2 emissions in FY 2023-24.

Other Initiatives

1. Replacement of efficient centrifugal pumps and motors resulting in reduction of 38 tons of CO_2 emissions.
2. Outdoor lights (sodium lamps) replaced with solar lights resulting enhanced savings.
3. Free cooling mode is used during favorable climatic conditions helping us to save 60-70% of chiller running power and related emissions.
4. Continuously transitioning towards owned EV/Hybrid vehicles used in support functions.

Water Stewardship

Acknowledging water as a precious resource, vital for ecosystems and communities, we remain devoted to responsible water use across each facet of our operations. Through efficient usage, rigorous monitoring and zero discharge. We endeavor to reduce our water footprint, protecting local water sources and ecosystems from over utilization, misuse, and pollution.

Water Consumption

We are entirely self-sufficient in meeting our water requirements. While our primary water sources include groundwater and surface water, our comprehensive water management strategy encompasses the utilization of borewells and dug wells. The construction of benches, trenches, open reservoirs, and check dams across the expansive open land within our plant premises enable us to elevate the water table in and around our facility ensuring a consistent water supply through the year for both our operations and plantation endeavors.

Water Circularity

With advanced water systems we aim to meet stringent quality standards and ensure that the treated effluent is suitable for reuse or recycling, thus closing the loop on water consumption and discharge, incorporating principles of water circularity. We have achieved status of Zero Liquid Discharge (ZLD) across our key manufacturing sites by utilizing innovative technologies, including Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs), and Multi-effect Evaporators (MEEs), effectively manage wastewater from our operations.

Notably, we have avoided any water-related incidents, such as plant closures or operational disruptions, over the past five fiscal years. This achievement ensures uninterrupted operations while mitigating potential revenue loss or increased costs due to water scarcity.

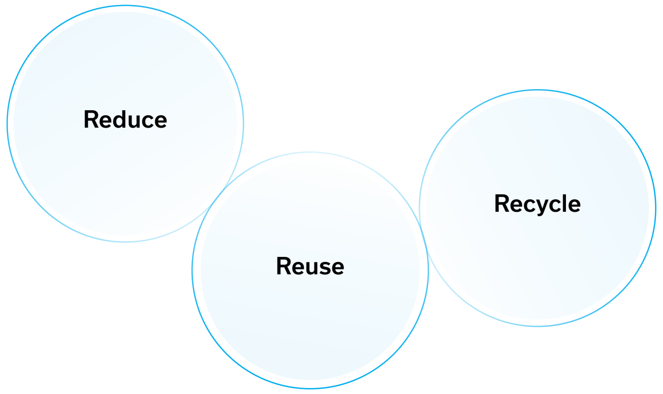
Other Water Saving Initiatives:

1. Manual valves replaced with automated solenoid-based valves saving 1080 KL.
2. Pumping modification in filling and pressing areas saved 3600 KL.
3. Enhancement of the washing activity process reduced water to the tune of 2000 KL.

Waste Conservation and Management

Our commitment to responsible waste management drives us to diligently monitor and control waste across all our operations, adhering strictly to stringent environmental standards. Aligned with the principles of Reduce, Reuse, and Recycle (the 3Rs), we have fully integrated waste management protocols.

Through strategies such as source reduction, sustainable packaging solutions, and collaborative efforts with suppliers and partners to optimize resource utilization, we strive to mitigate environmental impacts and nurture a more circular and sustainable system of operations that adhere to regulations and guidelines established by Pollution Control Boards.



Reduction of Hazardous waste

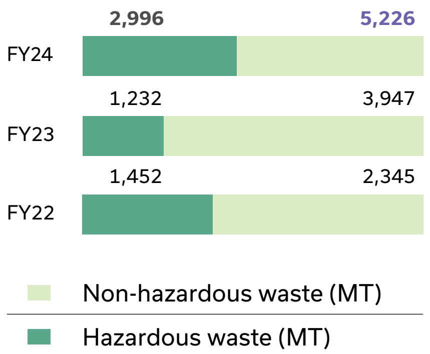
We have successfully converted 196 kgs of hazardous waste into non-hazardous material via decontamination process.

Biodiversity

At Solar, our key manufacturing sites are housed in rich biodiverse areas with an overall green footprint of more than 550 acres and have clearance from MoEFCC (Ministry of Environment, Forest, and Climate Change). Our approach encompasses targeted conservation initiatives such as habitat restoration, reforestation, and wildlife protection efforts, aimed at revitalizing ecosystems and preserving species diversity.

We are dedicated to ensuring that our activities have no adverse effects on biodiversity hotspots in compliance with the Wildlife Protection Act of 1972, and we operate in areas where no endangered flora and fauna is present.

Waste Generation



*Note - The total generation of both non-hazardous and hazardous waste has increased due to rise in overall production capacity as compared to FY 2022-23.

Social Responsibility

As a people-centric organization, well-being and safety of our workforce is our top priority. Our Human Resources department spearheads workforce planning, productivity, and employee growth to optimize performance and cultivate a positive workplace ethos.

We prioritize our employees in every decision, empowering them to flourish amid evolving internal and external landscapes. Extending beyond our internal sphere, we actively participate in community development through meticulously planned Corporate Social Responsibility (CSR) initiatives. Our ongoing dedication to diversity and inclusion at all levels unlocks the full potential of our workforce.

Key Highlights

Workforce received full coverage on Health & Accident Insurance

100%

Health & Safety training hours completed

81,213

Female employees covered for Maternity leave

100%

Key Manufacturing sites are:

ISO 45001:2018 certified

SDG Linkages

3 Good Health and Well-Being, 5 Gender Equality, 10 Reduced Inequalities, 16 Peace, Justice and Strong Institutions, 17 Partnerships for the Goals

Occupational Health and Safety

Safety is paramount for us. We provide a safe and healthy work environment for our workforce, contractors, and visitors. Our commitment to safety extends beyond physical well-being to include psychological and emotional safety.

At Solar group, we are responsible for adhering to the goal of 'Zero Harm' and remain dedicated to providing a safe and healthy working atmosphere for all employees. As a group operating in the explosives sector, safety is not just a priority but an integral part of our ethos. The Zero Harm Goal embodies our committed practice to ensure the safety and well-being of our employees, contractors, and the communities within the purview of our operations. The Safety, Health, and Environment committee oversees our safety governance system. We adhere to and incorporate the recommendation and guidelines of PESO (The Petroleum & Explosives Safety Organization).

Through our comprehensive EHS (Environment, Health, and Safety) Policy, we guarantee a secure, incident-free working environment that prioritizes the health and safety of our employees and the protection of the environment. We have stringent safety protocols, risk assessment and hazard identification processes along with robust training initiatives to build a workplace culture where safety is paramount.

EHS Strategy

FOCUS
- Employee Well-being
- Safe and healthy workplace

APPROACH
- Proactive Safety Approach
- Reactive Safety Approach

ASSURANCE
- Internal & External Audits
- Total Preventive Maintenance (TPM) certified

REVIEWS
- Review on daily / weekly / monthly / Yearly basis for safety work management

All our major sites are ISO 45001:2018 certified to ensure safety efficacy. We continually enhance our Health & Safety (H&S) system and subject it through various internal and external audits.

Social Responsibility (contd.)

Hazard & Risk Assessment (HRA)

We take a thorough approach to hazard identification, using multiple tools to formulate appropriate strategies along with the mitigation plans and carry out verification to ensure effective implementation of risk mitigation techniques.

Methods used to Identify Risk & Hazards:

1. Environmental Risk Assessment (EIA)
2. Activity based Hazard Identification and Risk Analysis (HIRA)
3. Hazard and Operability Study (HAZOP)
4. Job Safety Analysis (JSA)

Mitigation Plans:

1. Implementation of mitigation plans for identified causes
2. This is followed by the verification of mitigation plans through pre-start up safety review audits and inspection checklists

Risk Mitigation Hierarchy

Aligned with our responsibility to

'Zero Harm'

in the workplace, we persistently implement strategies to eliminate or reduce the risks associated with the hazards through the hierarchy below:

Most Effective

Elimination	Eliminating, or physically removing a hazard from a workplace, is the most effective strategy of safety control
Substitution	Substitution, or replacing a hazard or process/activity with a less hazardous one is the second-most effective stage of safety control
Engineering	Engineering controls or process re-engineering solutions that physically separate employees from hazards, is the third most effective stage of safety control
Administrative controls	Administrative controls, or changing work procedures or policies including training, scheduling etc. is the fourth most effective stage of safety control
Use of PPE	Providing workers with protective gear, such as gloves, masks, and helmets, helps to minimize exposure to hazards

Least Effective

Emergency Preparedness and Mock Drills

At Solar, we conduct extensive emergency mock drills to ensure that all our employees are equipped and prepared to handle unexpected and unforeseen situations. Emergency Response team comprising of trained personnel oversee the emergency drills and exercise activities.

Well-defined evacuation and communication plans are in place to guide employees with specifics related to emergency exits, alternate routes, assembly areas and communication amongst them for ensuring effective preparedness.

Safety Capability Building

Recognizing the critical importance of equipping our employees with the knowledge and skills to handle our products safely, we prioritize regular training sessions. Beginning with an intensive 2-day health and safety training during induction, we then provide specialized plant-level training. Significantly, over the past two years, we provided health and safety training to all 100% employees. We consistently strive to boost health and safety awareness among our team by conducting monthly refresher training dedicated to safety, complemented by regular safety meetings and evaluations.

Safety Engagement & Awareness Activities

Safety Week Celebration

Road Safety Week

Mock-Drills

Safety Initiatives

1. Smart cameras in our plants monitor Personal Protective Equipment (PPE) use, ensuring quick response and improved safety at our plants
2. Automated CNC machines (Computer Numerical Control) have replaced traditional machining processes, leading to less man-machine interaction and increased safety

Social Responsibility (contd.)

Our Employees

Diversity and Inclusion

We provide an environment where all associates feel a sense of belonging and can succeed as their authentic selves. Our DEI strategy is founded on our core values, wherein we provide equal opportunities to all our employees irrespective of gender, ethnicity, age, sexual orientation, color, religion etc.

We now have increased participation of women even at our key manufacturing sites apart from our corporate offices. Through other initiatives such as employee resource groups, training programs, and inclusive policies, we cultivate a culture where every individual can thrive and contribute their unique talents towards the Company's success.

Employee Engagement

We are committed to cultivating a flexible work culture, and to ensure its success, we have established a cross-functional team to oversee the implementation and communication of our HR policies. Our ongoing goal is to initiate efforts that make our employees feel valued and heard.

Creating an environment where individuals can thrive professionally while maintaining a healthy work-life balance is a top priority for us. To achieve this, we actively engage our employees through various events, activities, initiatives, and surveys. We conduct annual Employee Satisfaction (ESAT) surveys to gauge satisfaction levels and encourage suggestions for continuous improvement. Our approach is outcome-oriented, aiming to gain a deeper understanding of our workforce.

Hiring & Retention

We recognize the importance of supporting new hires, especially during their initial weeks with the Company. To ensure their smooth transition and integration, we provide dedicated assistance from a team focused on helping them engage, settle in, and become familiar with our people, processes, systems, and policies. This includes facilitating interactions with leadership through structured schedules and providing ongoing support throughout their training until they feel confident within the organization.

We highly value performance and career development reviews as essential elements of our employee-focused approach and promote valuable dialogues between employees and managers to align organizational goals with their professional ambitions.

Employee Health & well-being

We lay a great emphasis on our employee health and wellbeing by prioritizing physical, mental, and emotional health, recognizing its direct impact on productivity and job satisfaction. Through engagement activities, team building, and recognition programs, we foster inclusiveness and companionship. Our comprehensive approach includes comprehensive benefits, support for personal and professional growth fostering a good working culture. We offer essential benefits like health and accident insurance, maternity and paternity leave, and daycare access, ensuring equitable support. 100% coverage for health, accident, provident fund, and gratuity benefits reflects our commitment to employee welfare and a thriving workplace culture.

Human Rights

Our firm is dedicated to fostering a positive and inclusive work environment, as is expressed by our strict zero-tolerance approach against human rights violations. As our business operates in a heavily regulated environment, we adhere to all legal compliance requirements. We prioritize the welfare of our entire workforce by providing comprehensive human rights training to all employees alongside fair wage practices.

At the core of our dedication lies a robust Human Rights policy, anchored in the principles of dignity and respect for every individual within our operational purview. This policy not only serves as a mechanism for addressing reported grievances but also facilitates ongoing evaluations conducted by the Human Resource Department to prompt necessary corrective actions. In FY 2023-24, we have not received any complaints on human rights abuse.

Social Responsibility (contd.)

Skill Development

Continuous Learning and Development

Our training initiatives play a crucial role in fostering sustainability and social responsibility within our organization. We offer both internal and external training, including On-the-job sessions, to enhance skills and ensure ongoing safety awareness. Annually, we meticulously plan training calendars for workers and supervisors, emphasizing the importance of continuous learning and development Significantly, over the past two years, we have covered all our 100% employees for skill upgradation.

Additionally, we produce monthly safety deviation clips to reinforce safety protocols and practices. By internalizing these training initiatives, we have reduced our dependence on third-party trainers, aligning with our sustainability goals and minimizing external resource consumption.

Competency Framework (Vyavhar Samhita)

The organization has introduced a behavioral and functional competency framework called "Vyavhar Samhita" to enhance employee skill development. This initiative encompasses various facets including recruitment, performance management, training and development, potential identification, and succession planning.

Train the Trainer Model

We acknowledge the significance of the "Train the Trainer" concept in fostering a culture of sustainability and responsibility within our workforce. By investing in training programs that empower employees to become trainers themselves, we not only enhance internal capacity but also cultivate a ripple effect of knowledge dissemination throughout the organization.

Product Safety and Security

Our products possess explosive properties and hence we lay great emphasis on product safety and quality. Our immaculate focus on maintaining the highest quality standards has enabled us to establish the Company's products in the international market.

Customer Satisfaction

We are persistent in our commitment to sustaining customer satisfaction by delivering safe, reliable, and premium-quality products that augment value for our clientele. We actively engage with our customers through diverse avenues such as client visits, technical seminars, and safety workshops, facilitating a comprehensive understanding of their requirements to furnish top-tier services. Our customer portfolio comprises of global multinationals, leading companies, and government (defence) bodies in key geographies.

In our pursuit of continuous enhancement, we diligently gather and analyze consumer feedback regularly. Customers can raise their concerns through the CRM system and track their resolution status. We place a high priority on addressing customer concerns in a timely and efficient manner. Notably, 100% of customer complaints received in the last two years have been resolved.

Responsible Supply Chain

At Solar group, we have established procedures to ensure reasonable sourcing. Through the Supplier code of Conduct, we aim to encourage sustainability among our vendors and promote responsible behavior beyond manufacturing facilities. We consider sustainable sourcing performance factors during our selection of major suppliers.

To support our supply chain management, we have undergone substantial digitization, enabled swift evaluation, and followed dedicated process for onboarding any vendor.

Community Relations

At Solar group, we are proud to be more than just a business; we are a force for positive change in our community and beyond. We engage with the community through informal and formal sessions held throughout the year to facilitate interactions and take their feedback and concerns through CSR programs.

Community Engagements

Sunderkand path followed by Sneh-Bhoj [Community meal]

The Path is followed by a meal called the SnehBhoj. The bhoj is a delicious meal served with love to nearby villagers and community to bond with their families in the month of January each year

Employment

Approx **60-70%** of workforce are employed from the vicinity villages showing our emphasis in generating local employment

Annual blood donation camp

About **400-500** units of blood were donated in FY 2023-24 in the month of July

Corporate Governance

Through our strong corporate governance framework, we strive to achieve the highest standards of transparency, accountability, sustainability, ethical behavior, and safety in all areas of our business practices and work culture.

Key Highlights

Instances of Sexual Harassment

Zero

Employee complaints under Vigil Mechanisms

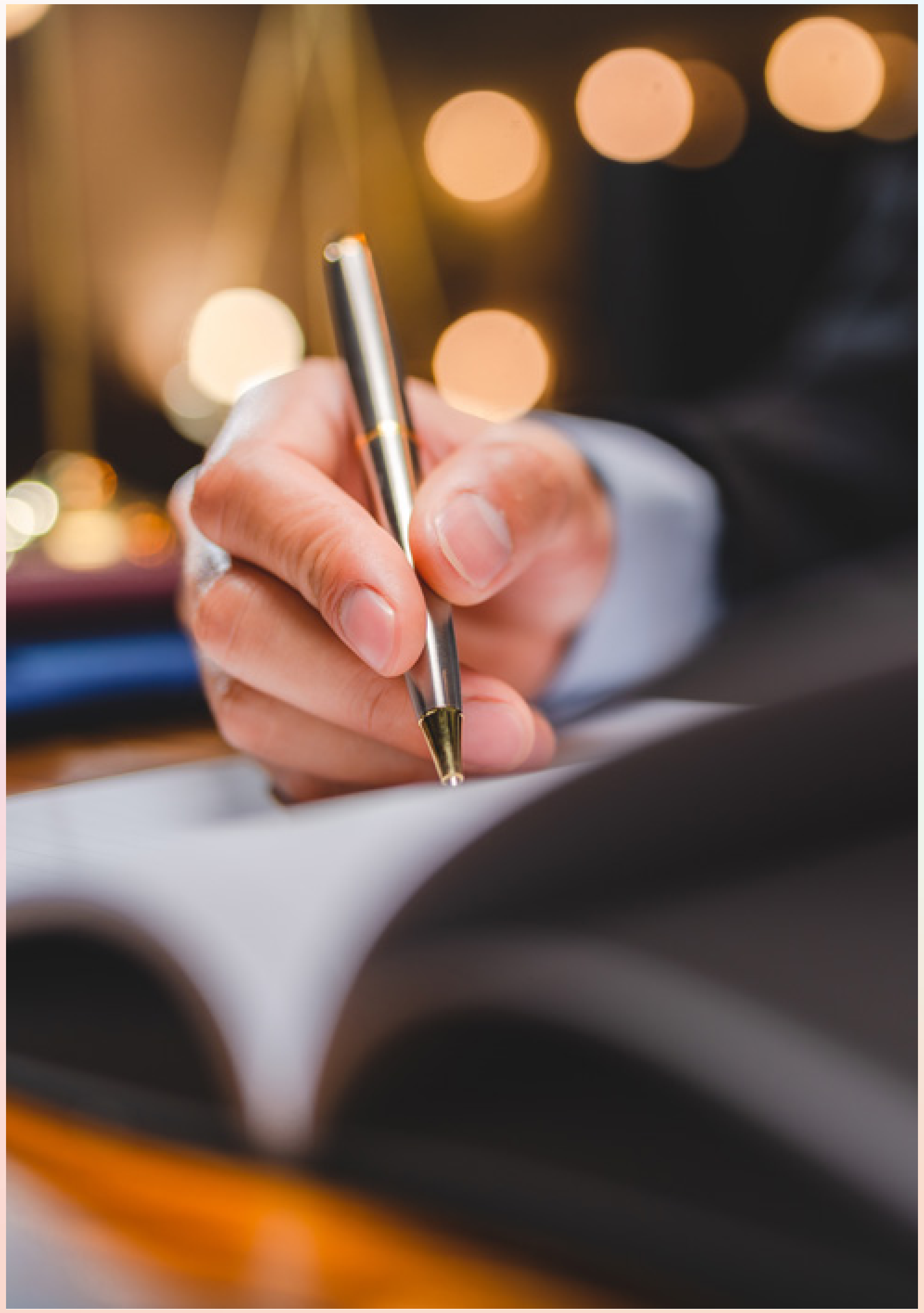
Zero

No cases of insider trading reported

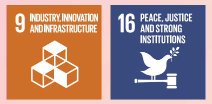
Zero

No cases of corruption reported

Zero



SDG Linkages



Governance Framework

Leadership Structure

Solar group has a diverse and experienced Board of Directors who provide strategic guidance and oversight in all areas of its operations. The Board exercises its fiduciary responsibilities to uphold the highest standards of robust corporate governance, safeguarding the interests of stakeholders and promoting long-term value creation.

Board Committees

Our Board and its committees are responsible for our strategy and governance and aid in discharging duties by providing valuable insights.

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

Ethical Business Conduct

We prioritize Integrity, Governance, and Ethics, ensuring adherence to laws and regulations. Our commitment fosters trust among stakeholders and protects their interests. We strengthen Corporate Governance through leadership, internal controls, risk management, policy frameworks, and conduct training sessions for all employees on our Code of Conduct to uphold a zero-tolerance approach towards unethical behavior.

Code of Conduct

- Conflict of interest
- Business relationship
- Use of assests and Intellectual property
- Privacy and confidentiality
- Opportunities and Anti-competitive practices
- Transparency and ethical conduct
- Health, Safety and Environment
- Reporting and discouraging illegal and unethical behavior

Policies Framework

We have formulated a comprehensive sustainability policy framework to promote our ESG agendas, consistent with our mission. Our Sustainability Policies are designed to meet all aspects of our business needs, including the policies listed below.

Our Policies

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

Regulatory Compliance

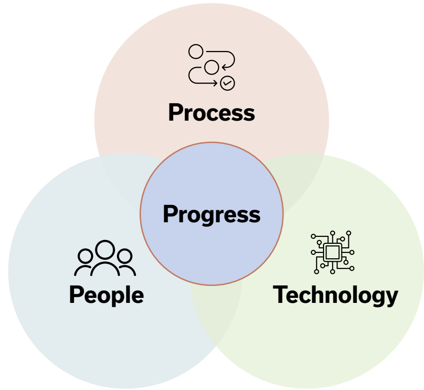
While aiming to achieve our goals and create value for our stakeholders, we ensure that our operations comply with all relevant laws, rules, policies, and regulations. As an explosive manufacturer, we adhere to all the guidelines of Petroleum and Explosives Safety Organization (PESO) and Directorate General of Mines Safety (DGMS). Throughout this year we have not received any adverse comments related to our operations and products.

Critical Incident Risk Management

Our Board, collectively and through its committees, holds the responsibility for overseeing risk management. This oversight function is facilitated by management reporting procedures, which include an annual comprehensive risk assessment across the organization. These processes are aimed at ensuring transparency for our Board and its committees regarding the identification, evaluation, and handling of significant risks, and management's strategies for mitigating them. While the Board retains ultimate responsibility for risk oversight within the Solar group, it delegates oversight of risks related to specific areas of responsibility to its committees. As needed, these committees furnish reports to the entire Board for thorough examination of these and other pertinent matters.

Cyber Resilience & Data Security

Our resilient IT infrastructure, centered on People, Process, and Technology, prioritizes CIA (Confidentiality, Integrity, and Availability), supported by a robust security framework.



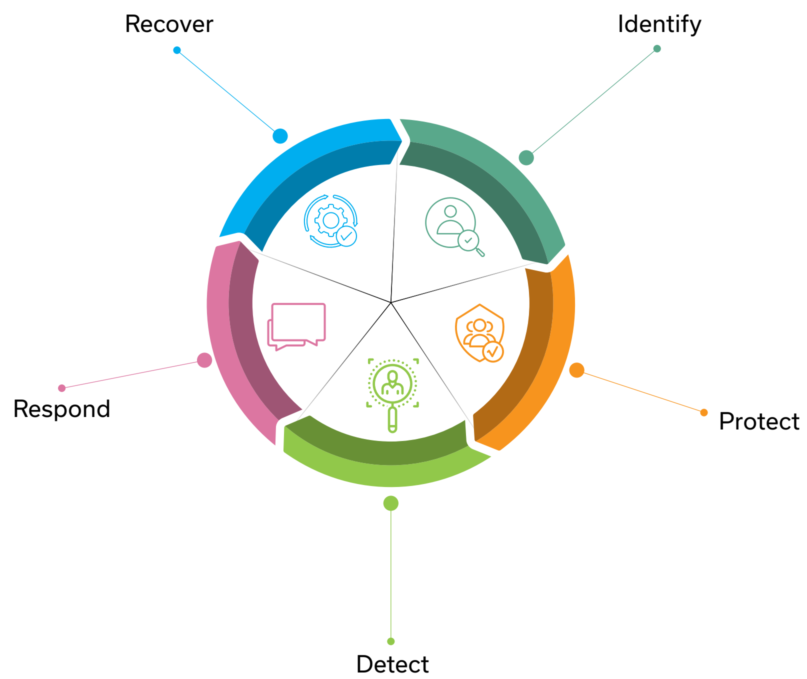
Security Framework

Through rigorous identification processes, we proactively identify potential risks and vulnerabilities, ensuring a preemptive approach to security. Leveraging advanced detection technologies, we continuously monitor our systems, swiftly identifying any irregularities or threats. By implementing healthy protective measures, we safeguard our assets, data, and stakeholders from potential harm. In the event of an incident, our responsive protocol ensures a timely and effective intervention, minimizing impact and facilitating swift recovery.

Our **People**-focused approach includes regular training sessions for new team members, covering essential IT topics such as recent updates, cybersecurity threats, and secure browsing habits. Additionally, all staff benefit from biannual training sessions.

In terms of **Processes**, we emphasize GRC (Governance, Risk Management, and Compliance), supported by various policies, SOPs, and analyses. Our comprehensive **Technology** strategy covers information security operations across cloud, network, infrastructure, applications, email, and endpoints.

Moreover, we are actively pursuing ISO 27001/NIST (National Institute of Standards & Technology) certification in partnership with IIT Kanpur, affirming our adherence to information security best practices. Our infrastructure boasts distinct network segments and employs encryption measures to safeguard data.



Research & Development

We at the Solar group recognize that investing in R&D is crucial for staying ahead of regulatory changes, anticipating emerging risks, and implementing industry best practices. Through ongoing R&D efforts, we aim to enhance our governance framework by developing innovative tools and methodologies for risk management, compliance monitoring, and stakeholder engagement.

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal
Chairman and
Non-Executive Director

Shri Manish Nuwal
Managing Director and CEO

Shri Suresh Menon
Executive Director

Shri Milind Deshmukh
Executive Director

Shri Natrajan Ramkrishna
Non-Executive Independent Director

Shri Jagdish Chandra Belwal
Non-Executive Independent Director

Smt. Rashmi Prasad
Non-Executive Independent Director
(Appointed on the Board w.e.f.
September 21, 2023)

Shri Dinesh Kumar Batra
Non-Executive Independent Director
(Appointed on the Board w.e.f.
April 1, 2024)

Smt. Sujitha Karnad
Non-Executive Independent Director
(Ceased w.e.f. June 21, 2023)

Shri Amrendra Prasad Verma
Non-Executive Independent Director
(Retired w.e.f April 1, 2024)

Joint Chief Financial Officer

Shri Moneesh Agrawal

Smt. Shalinee Mandhana

Company Secretary & Compliance Officer

Smt. Khushboo Pasari

Corporate Identification Number

L74999MH1995PLC085878

Registered Office

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

Statutory Auditors

M/s S R B C & Co. LLP
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai – 400028 India.

Jointly with

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

Bankers

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

Debenture Trustee

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

Registrar and Transfer Agents

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

Grievance Redressal Division

investor.relations@solargroup.com

Audit Committee

Shri Natrajan Ramkrishna
Chairman
(Appointed as a Chairman w.e.f.
April 1, 2024)

Shri Rashmi Prasad
Member
(Appointed as a member w.e.f.
April 1, 2024)

Shri Manish Nuwal
Member

Shri Jagdish Belwal
Member
(Appointed as a member w.e.f.
August 3, 2023)

Smt. Sujitha Karnad
Member
(Ceased w.e.f. June 21, 2023)

Shri Amrendra Prasad Verma
Chairman
(Retired w.e.f April 1, 2024)

Stakeholders Relationship Committee

Shri Jagdish Belwal
Chairman
(Appointed as a Chairman and
member w.e.f. April 1, 2024)

Shri Manish Nuwal
Member

Shri Suresh Menon
Member

Shri Amrendra Prasad Verma
Chairman
(Retired w.e.f. April 1, 2024)

Nomination and Remuneration Committee

Shri Natrajan Ramkrishna
Chairman
(Appointed as a chairman w.e.f.
April 1, 2024)

Shri Jagdish Chandra Belwal
Member
(Appointed as a member w.e.f.
August 3, 2023)

Shri Dinesh Kumar Batra
Member
(Appointed as a member w.e.f.
April 1, 2023)

Smt. Sujitha Karnad
Member
(Ceased w.e.f. June 21, 2023)

Shri Amrendra Prasad Verma
Chairman
(Retired w.e.f. April 1, 2024)

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Shri Jagdish Chandra Belwal
Member
(Appointed as a member w.e.f.
August 3, 2023)

Smt. Sujitha Karnad
Member
(Ceased w.e.f. June 21, 2023)

Risk Management Committee

Shri Manish Nuwal
Chairman

Shri Suresh Menon
Member

Shri Milind Deshmukh
Member

Shri Natrajan Ramkrishna
Member

Shri Jagdish Chandra Bewal
Member
(Appointed w.e.f. August 3, 2023)

Shri Moneesh Agrawal
Member

Smt. Shalinee Mandhana
Member

Shri Sanjay Singh
Member

Smt. Rashmi Prasad
Member
(Appointed as a member w.e.f. April
1, 2024)

Shri Amrendra Prasad Verma
Member
(Retired w.e.f. April 1, 2024)

Smt. Sujitha Karnad
Member
(Ceased w.e.f June 21, 2023)

Shri Prashant Joshi
Member
(Stepped down w.e.f. October 27,
2023)

Shri Kedar Ambikar
Member
(Stepped down w.e.f. March 30,
2024)

Shri Laxman Rathod
Member
(Appointed w.e.f. October 27, 2023 &
thereby stepped down w.e.f. January
25, 2024)

Executive Committee

Shri Manish Nuwal
Chairman

Shri Milind Deshmukh
Member

Shri Suresh Menon
Member

Investment Committee

Shri Manish Nuwal
Chairman

Shri Milind Deshmukh
Member

Shri Suresh Menon
Member

Smt. Shalinee Mandhana
Member

Smt. Khushboo Pasari
Member

Management Discussion and Analysis

Global economy[1]

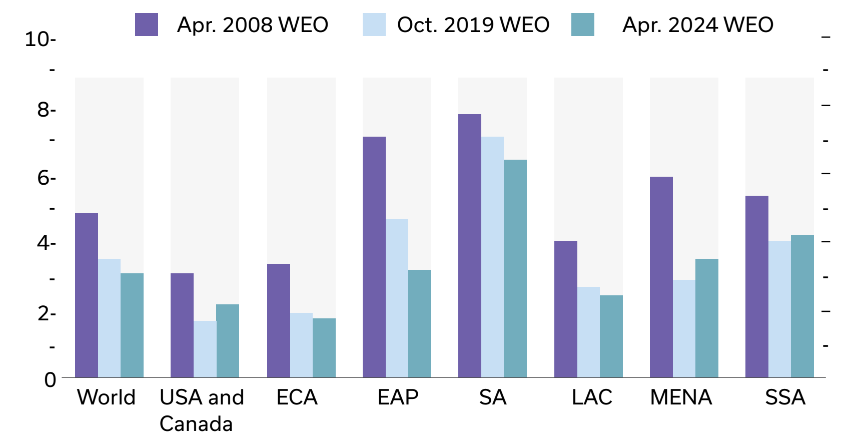
Despite several headwinds in the form of geopolitical conflicts, volatile commodity prices and elevated costs of living, the global economy exhibited notable resilience, achieving a 3.2% growth rate in CY 2024. Inflation saw a significant reduction due to positive market shifts like a fall in energy prices and a modest fall in food prices.

While the US economy exceeded expectations, downside risks persist. The major emerging markets and developing economies (EMDEs) also demonstrated strong growth. However, China experienced a prolonged slowdown in economic activities, prompting a flight of foreign capital to alternative safe havens, including India, Mexico and Vietnam.

Central banks face a delicate balance between curbing inflation and supporting growth. Higher borrowing costs have exacerbated debt risks for many developing countries, leaving limited fiscal space when more investment is needed for sustainable development. Global investment trends remain weak amid rising interest rates, though slight uptick is seen in clean energy investment.

[1]World Economic Outlook Oct 2023

Figure 3.3. Five-Year-Ahead Real GDP Forecast by Regions, 2008, 2019, and 2024 (Percent)



Source: IMF staff calculations.
Note: The figure uses GDP in purchasing-power-parity international dollars from the corresponding vintages for aggregation. EAP East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and Caribbean; MENA = Middle East and North Africa; SA South Asia; SSA = sub-Saharan Africa; USA = United States; WEO World Economic Outlook.

Turkey[2]

As of CY 23, Turkey is the 19th largest global economy, with a GDP of approximately USD 906 billion. Turkey holds membership in significant international bodies such as the OECD and the G20 and has also emerged as a major contributor to official development assistance (ODA). However, the nation has encountered challenges in recent years, including a drop in productivity and a need to support growth through credit booms and demand stimulus. These are in turn causing internal and external vulnerabilities.

Despite being hit by devastating earthquakes in early CY 23, with direct losses estimated at USD 34.2 billion, the Turkish economy has been grappling with a deteriorating external environment and stringent monetary policies. These factors have collectively impeded the economic growth trajectory.
The IMF has predicted a modest scenario for the country with a GDP of 3.1% in CY 2024 instead of 4.5% in CY 2023.

Zambia[3]

Zambia, a vast landlocked country in southern Africa with abundant resources and a relatively lower population density, is well-positioned for a robust post-pandemic recovery. Projections indicate a steady GDP growth of approximately 4.5% annually from CY 23 to CY 25. The anticipated economic resurgence can be attributed to the successful implementation of reforms in agricultural policies, business regulations and the energy sector. These reforms are expected to enhance fiscal sustainability and also foster growth with aid from the private sector.

However, despite positive economic prospects, the Bank of Zambia foresees challenges in the form of rising inflation. Inflation is expected to exceed the target range of 6–8% over the next two years. Sustained depreciation of the exchange rate, increased energy costs and lingering external pressures, posing potential obstacles to the country's economic stability, have caused inflationary pressures to go up.

Nigeria[4]

Nigeria's GDP grew by 2.54% in the third quarter of CY 23, which is a little better than the 2.51% growth seen in the prior quarter. During this time, the oil sector saw a somewhat abated decline and the effects of governmental reforms intended to increase production had not yet been evident. Projections by the Nigerian Economic Summit Group (NESG) suggest that there will be a 3.5% growth in Nigeria's GDP by CY 24. The NESG expects these government reforms to alleviate investment concerns and raise productivity in critical sectors.
The services sector is predicted to remain the primary driver of the economy, and a resurgence in the country's oil sector is expected to contribute to stronger real GDP growth in CY 24.

South Africa[5]

The IMF has revised its FY 25 growth projections for South Africa from 1.6% to 1.3%. Further, more concerning are the country's high levels of public debt and vulnerable fiscal position. Logistic challenges have been significantly impacting economic activity in the region. As the most industrialised economy in Africa, it is anticipated to experience modest growth of 1% this year.
The sluggish growth has been an outcome of disruptions in the energy sector and logistical issues encompassing transportation, freight and ports. The nation has faced challenges due to recurring power outages and congestion in logistics at its ports and railways.

[2] https://www.imf.org/en/Countries/TUR
[3]https://www.worldbank.org/en/country/zambia/overview
[4]https://www.premiumtimesng.com/news/more-news/661882-nigeria-gdp-to-grow-3-5-in-2024-nesg.html
[5]https://www.bloomberg.com/news/articles/2024-01-30/imf-clips-south-africa-2024-growth-forecast-on-logistics-worries

Australia[6]

Australia's economic growth rate has recently dipped below 2% for the first time in the last three years. The overall outlook for the Australian economy appears subdued and towards the end of the year, there was a noticeable slowdown in economic activity. Several factors contributed to this economic deceleration, including escalating mortgage repayments, the expiration of a wave of fixed-rate loans, a rise in the cost of living, declining real wages and higher taxes. Adjusting for the significant population growth, the economy is essentially contracting.

The headline inflation forecast indicates a further decline to 3.5% by the end of the fiscal year, slightly above the Reserve Bank of Australia's (RBA) target band of 2% to 3%. Simultaneously, annual wage growth is expected to moderate, albeit at a slower pace than inflation, reaching 3.7%. This may result in increased real wages during the latter half of FY 24.

Ghana

Ghana's economy faced significant challenges in 2023, characterised by elevated inflation, subdued growth, and substantial pressure on public finances and debt sustainability. The economic crisis took a toll on the pace of economic growth, which decelerated to 2.3% in CY 2023 and is projected to remain weak in 2024. Fiscal consolidation efforts yielded some progress, with the estimated deficit at 4.6% of GDP in 2023, significantly lower than the 10.7% deficit in 2022. However, revenues and grants remained stagnant at 15.7% of GDP in 2023, despite lower oil revenues. The immediate implications of the macroeconomic crises and debt distress have worsened poverty levels, with the 'international poverty' rate estimated at 31.4% in 2023.

The country encountered significant external shocks that exacerbated existing fiscal and debt vulnerabilities, resulting in constrained access to international markets, limited domestic financing options, and an increased reliance on monetary measures to support government expenditures. In response, the Government embarked on a comprehensive debt restructuring, a significant fiscal consolidation program, and the implementation of reforms to foster economic stability and resilience, supported by an Extended Credit Facility (ECF) program from the IMF of approximately $3 billion.

Tanzania[7]

Tanzania's central bank has projected a GDP growth of 5.5% in FY 24, building on the 5% expansion achieved in the previous year. This growth could be attributed to a mix of public and private investment, ongoing business-enhancing reforms, favourable weather conditions and a revival in the tourism sector. In the first quarter of FY 24, the central bank estimated a GDP growth of 5.2%, slightly below the 5.6% expansion in the same period the previous year. Inflation is expected to fall, remaining stable at around 3.2%, below the targeted 5%.

Starting in January, Tanzania's central bank adopted interest rates as part of its new monetary policy. The bank has set a rate of 5.5% for the first quarter of FY 24, which augurs well for sustained economic growth.

Indonesia[8]

Indonesia's economy displayed resilience amid global headwinds, buoyed by declining inflation and a stable currency, as highlighted in the World Bank's semi-annual Indonesia Economic Prospects report. The projected GDP growth of 5% over 2024–2025 from the current 5% in CY 23[9] hints towards a positive economic outlook. However, external risks loom large, with higher interest rates in major economies potentially dampening global demand and increasing borrowing costs. Additionally, global geopolitical uncertainties could disrupt value chains, impacting economic activity in Indonesia.

[6]https://www.afr.com/policy/economy/why-the-economy-needs-five-things-to-go-right-in-2024-20231218-p5esad

[7]https://www.bloomberg.com/news/articles/2024-02-03/tanzania-economy-central-bank-sees-gdp-growth-of-5-5-in-2024

[8]https://www.worldbank.org/en/news/press-release/2023/12/13/indonesia-economic-growth-to-ease-slightly-in-2024-as-commodity-prices-soften

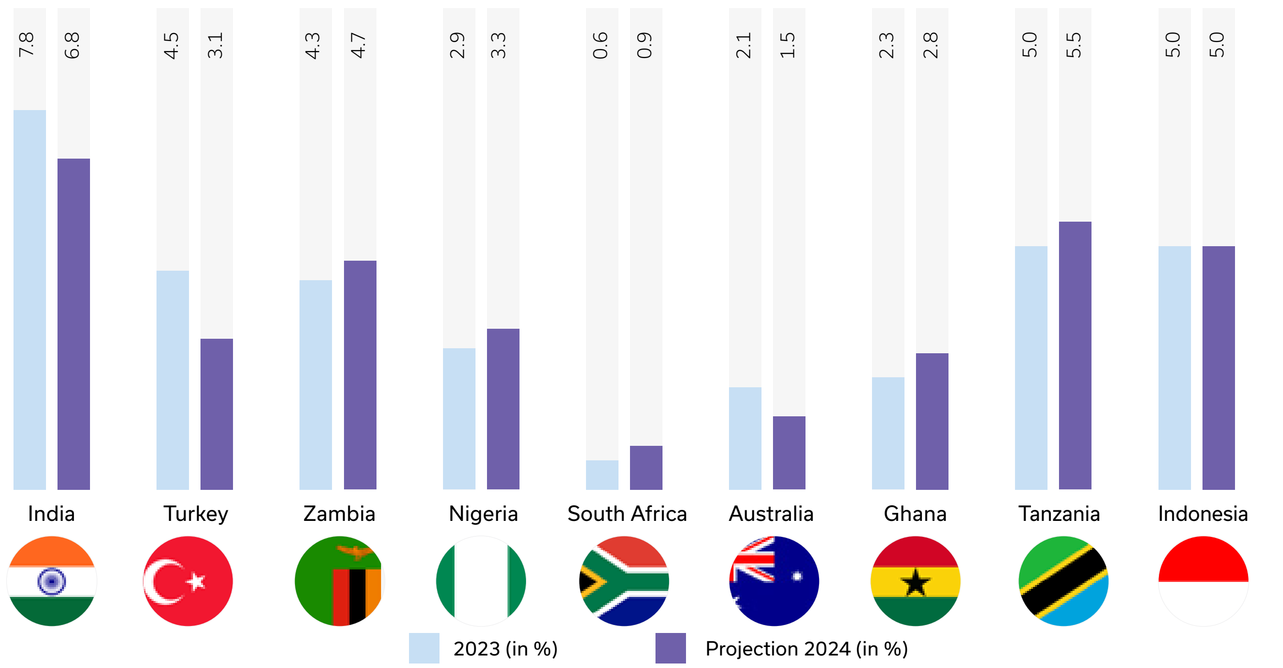
[9]https://www.imf.org/en/Countries/IDN

Global economic outlook

The global economy is headed towards a comfortable landing, with inflation gradually falling and growth staying stable. However, the rate of expansion remains modest. Higher government and private spending have sustained economic activity despite tight fiscal policies. Notwithstanding worsening geopolitical uncertainty, enhanced employment rates, restored supply chains and lower energy and commodity costs have collectively contributed to economic growth.

The global economy is projected to remain steady at 3.2% in CY 2024 and next year, with inflation declining from 2.8% at the end of CY 2024 to 2.4% at the end of CY 2025. Another positive aspect is the fact that global headline inflation is forecast to fall from 6.8% in 2023 to 5.9 % in 2024 and to 4.5 % in 2025.

GDP charts[10]



Indian economy [11][12][13]

Throughout the year under review, the Indian economy witnessed consistent growth, with inflation persisting but showing signs of easing off in the final quarters. With higher public investments and a flourishing service sector, coupled with growing domestic demand for consumer services and export demand for business services, India managed to sustain its position as one of the fastest-growing major economies in FY 2024.

India's strong fundamentals, sound balance sheets for banks and corporations, fiscal consolidation and substantial foreign exchange reserves contribute positively to its economic growth. In the years ahead, businesses are expected to perform better with stable interest rates and deleveraged balance sheets. Moreover, the significant uptick in credit demand in India indicates the intrinsic potential of the economy.

India's G20 presidency has facilitated multilateral improvements within the country. The financial sector has turned out to be the strongest in many years, demonstrating sheer resilience in the face of global headwinds. As fiscal policies remained tight throughout the year, consumer price inflation has stayed within the desired range of 2-6%.

Outlook

India is poised for sustained growth in the upcoming fiscal year, driven by robust financial and macroeconomic conditions. GDP is forecast to remain strong at 6.8 % , with an expected drop in inflation, despite current volatility due to higher food prices. The government's focus on increasing capex is further creating a favourable environment for growth.

Going forward, economic growth is expected to be buoyed by contributions from the labour market. Global headwinds may pose challenges, potentially impacting India's financial and trade channels. Weather-related inconsistencies may worsen inflationary pressures.

Despite these headwinds, forecasts suggest a significant surge in demand for consumption and private investments, serving as key growth enablers in the upcoming fiscal year.

[10]https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
[11]https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1249
[12]https://www.imf.org/en/News/Articles/2023/12/18/pr23458-india-imf-exec-board-concludes-2023-art-iv-consult
[13]World Economic Outlook Update (Jan 2024) IMF

Industry overview

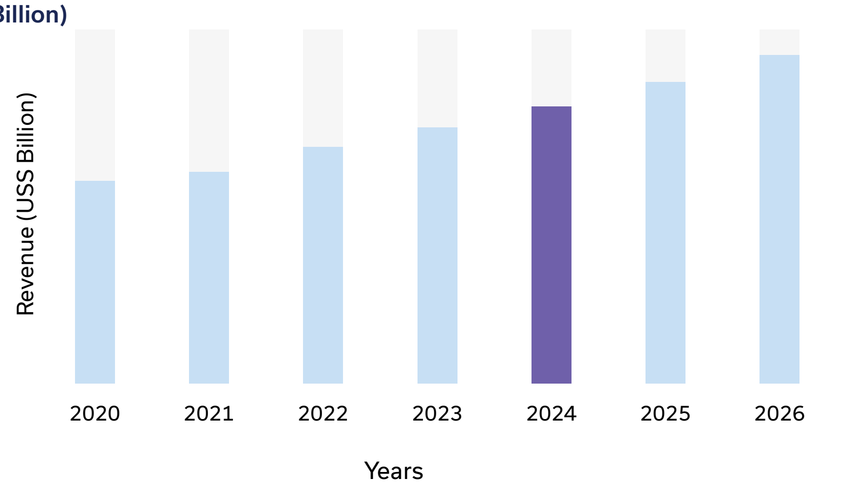
Global Industrial Explosives industry

The global industrial explosives market size is forecasted to reach US$10.5 billion by 2026, growing at a CAGR of 5.8% during 2021-2026. Industrial explosives are high-hazard blasting explosives primarily used in the mining, quarrying, and construction industries.

The market is witnessing growth due to the rising demand for blasting materials from the mining and construction sectors. Increasing population and rapid urbanization have created significant opportunities for ongoing and upcoming industrial and commercial projects, driving the demand for explosives substantially during the forecast period.

The Asia-Pacific region dominates the industrial explosives market, holding a 44% share in 2020. The growth is attributed to the increasing demand for minerals, coal, and rare earth metals in the region. China, being the world's largest construction market, is forecasted to grow at an annual average of 5.2% in real terms between 2021 and 2029, according to the International Trade Administration. This surge in construction activities is expected to drive the demand for explosives in the region.

Figure: Asia-Pacific Industrial Explosives Market Revenue, 2020- 2026 (US$ Billion)



Outlook

The global industrial explosives market is poised for remarkable growth, propelled by escalating demand for raw materials from the mining and construction sectors. Technological progress, such as digitalization for blast optimization and the development of safer and eco-friendly explosives, is making these products increasingly appealing. Moreover, rapid urbanization and infrastructure expansion in emerging economies, particularly the Asia Pacific region, are acting as significant catalysts. While stringent regulations surrounding storage, transportation, and usage of explosives may pose challenges, adherence can bolster public confidence in the industry.

India's industrial explosives industry[14]

The explosives sector is experiencing significant expansion, forecasts indicate a steady rise in demand, with the industry expected to reach a value of USD 1.5 billion by FY 2028. The mining, quarrying, construction and infrastructure sectors serve as the key growth enablers for this industry. With the government planning to invest in Make in India campaigns, smart cities, rural electrification and many more, this sector is in a sweet spot to witness growth in the near term.

Mining and quarrying industry[15]

- **Coal-** Global demand for coal has surpassed 8.5 billion metric tonnes for the first time in FY 2024. Although the demand for coal is predicted to decrease by 2.3% in FY 27 from FY 24, the requirement in emerging and developing economies remains robust.

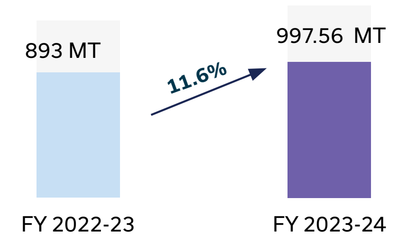
  Coal remains a major source of energy in India. The coal industry has seen a major growth of 11.6% over FY 23 with production totaling 997.56 Million Tons. The demand for coal in India is predicted to remain resilient and reach its peak by 2030-2035. Mining and quarry activities performed well, owing to a higher Demand for Power and Government's massive push for Infrastructure development.

[14]https://www.investindia.gov.in/sector/metals-mining

[15]https://www.iea.org/news/global-coal-demand-expected-to-decline-in-coming-years

Coal Production Growth

FY '24 as compared to FY '23 (Provisional Figures)



Outlook

A recent report by the Niti Aayog projects a consistent demand for coal. It is estimated to range between 1,192 and 1,325 million metric tonnes by 2030. To address this demand, a strategic plan has been formulated to elevate India's overall coal production to 1 billion metric tonnes by FY 24, with Coal India Limited targeting a production output of 838 Million Metric Tons up from 773 Million Tons in FY 25. Similarly SCCL has taken a target of 72 Million Tons up from 70 Millon Tons produced in FY 24. The biggest push comes from Captive & Private Mines which has taken a target of 186 Million Tons up from 153 Million Tons produced in FY 24. This proactive approach aims to ensure that the anticipated increase in coal availability aligns closely with the projected demand, thereby meeting the nation's energy requirements effectively.[16]

The integrated Coal Logistic plan of Ministry of Coal pegs the Coal supply by 2030 to 1500 Million Tons.

"Steel production has grown over 12% to 143 Million Tons in FY-24 from 128 Million Tons in FY-23.

- **Steel**- India is the second-largest steel and coal producer in the world, with a cumulative production of crude steel of 143 million metric tonnes in FY 24 an increase of 12% over last year. The steel industry is projected to achieve a production volume of 200 million metric tonnes by 2030. The growth is supported by policies for the speciality steel sector, like the Production Linked Incentive Scheme under Atmanirbhar Bharat 3.0. The demand for Steel is based on the tremendous push given to Housing & Construction segment and is expected to grow at a CAGR of 7%. The current production in F-24 is 143.6 Million Tons, an increase of 12% over last year.

Outlook[17]

Supported by government investments in infrastructure, Housing for all, construction and development projects, domestic steel demand is expected to remain robust throughout CY 24. Despite the possibility of sustained high levels of imports, domestic market realisations are projected to remain strong. This optimistic outlook underscores the strength of the domestic steel sector, driven by ongoing infrastructure initiatives and construction activities.

- **Minerals**- Around 358[18] new mineral exploration projects have been undertaken as part of the Geological Survey of India as of December 2023. India possesses rich reserves of iron ore, bauxite, chromium, manganese ore and many more rare earth minerals and salts. Only 20% of the mineral reserves have been mined as of yet. The mineral sector thus remains well-positioned for growth. In an amendment to the Mines and Mineral (Development and Regulation) Act 1957, the introduction of exploration licenses for deep-seated minerals has been made. This new 2023 amendment is predicted to incentivise private sector participation in deep-seated mineral mining.[19]

Outlook[20]

In 2025, the minerals and metals industry is poised to play a pivotal role in bridging production gaps and decreasing reliance on imports. This shift is facilitated by significant policy reforms, incentives and ambitious expansion strategies executed by leading industry players. With efforts aimed at enhancing domestic production capacity, the sector is geared to strengthen its contribution to the economy.

[16]https://pib.gov.in/Pressreleaseshare.aspx?PRID=1807677

[17]https://www.thehindubusinessline.com/economy/strong-domestic-steel-demand-expected-in-2024/article67682989.ece#:~:text=Backed%20by%20government%20spending%20on,though%20imports%20could%20remain%20elevated.

[18]https://static.investindia.gov.in/s3fs-public/2024-01/Year%20End%20Review%202023-%20Ministry%20of%20Mines.pdf

[19]https://pib.gov.in/PressReleasePage.aspx?PRID=1945102

[20]https://www.moneycontrol.com/news/business/minerals-and-metals-accelerated-sustainable-production-will-be-the-theme-for-2024-11955921.html

Growth drivers[21]

- Initiatives from the government, like the Atmanirbhar Bharat Abhiyan initiative, include the introduction of a Production Linked Incentive (PLI) scheme specifically targeting the speciality steel sector.
- The Single Window Clearance Portal initiative serves as a unified platform designed to streamline and expedite the process of obtaining clearances and approvals necessary for initiating coal mining operations in India.
- The Ministry of Steel has entered into 57 Memorandums of Understanding (MoUs) with 27 companies, projecting an investment of approximately INR 30,000 crore. This initiative aims to create an additional capacity of about 25 million metric tonnes of speciality steel over the next five years.

Real estate and construction industry[22]

The real estate sector has been witnessing an upswing in demand in the last few years. This sector employs the highest workforce, second only to the agricultural sector. The infrastructure industry covers both real estate as well as urban development. The construction market is expected to be valued at USD 1.4 trillion by CY 2025. The sector has already witnessed a growth of 10.7% due to greater government focus on the residential housing and infrastructure sector.

Growth drivers[23]

- The Prime Minister has announced 30 Million Houses will be built under PMAY in next 5 years.
- Approximately INR 18.07 lakh crores has been invested in urban development since CY 14.
- The construction sector is around 9% of India's GDP.
- Construction and Development sector FDI USD 33 billion (April 2000 December 2023), making this sector the sixth largest recipient of FDI in the country.

Outlook[24]

The current trend in the real estate market is encouraging. This not only reflects a positive change in market sentiment but also indicates the confidence of buyers, leading to a more resilient and stable real estate landscape. Looking ahead to 2024, the Indian real estate sector is on the brink of transformative change, driven by technological advancements, demographic shifts and economic dynamics. The stability of macroeconomic indicators is expected to play a crucial role in sustaining growth and fostering an investment-friendly environment in the real estate market. These factors collectively point towards a promising outlook for the sector, with ample opportunities for growth in the coming years.

Roads and Infrastructure sector

[25][26]

Strategic infrastructure development is critical to achieving India's ambitious 2047 objective of becoming a USD 40 trillion economy and transitioning from a developing to a developed country. As of Q2 2023-2024, the infrastructure sector assessment remains promising with a strong turnover. Input costs have increased in the market, resulting in lesser growth in the selling margin and modest earnings. The RBI expects an increase in both selling price and profit margin in the next quarters.

NHAI has achieved Road Construction of 12349 KM of 4 Lane Highways in FY 24 against 10933 KM in FY 23 registering an increase of 13%. NHAI is planning to Roll out a New Mega Highway Construction programme in line with Government's Vision 2047.

[21]https://www.investindia.gov.in/sector/metals-mining
[22]https://www.investindia.gov.in/sector/construction
[23]https://pib.gov.in/PressReleasePage.aspx?PRID=1995507
[24]https://www.constructionweekonline.in/people/boom-in-indias-property-market-promising-future-for-2024
[25]https://www.investindia.gov.in/team-india-blogs/infrastructure-development-india
[26]https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=22057

Growth drivers

- National Infrastructure Pipeline has provided an investment of USD 1.4 trillion. This budget allocation includes 24% renewable energy, 18% roads and highways, 17% urban infrastructure and 12% railways
- India is embarking on ambitious infrastructural projects the Chenab Bridge in the state of Jammu and Kashmir, which is to become the tallest arch railway bridge in the world.
- For 2023-2024 the infrastructure spending nearly tripled to 3.3% of GDP from 2019-2020 levels.

Outlook[27]

The roads and infrastructure sector in India is expected to witness a potential resurgence with the proposed resurrection of the Build-Operate-Transfer (BOT) model. This move signals a renewed emphasis on encouraging private investment by shifting financing, revenue and management risks to private participants, potentially supplemented by government guarantees. While previous models such as Engineering, Procurement and Construction (EPC) and Hybrid Annuity (HAM) arrangements have been favoured, the return to BOT aims to alleviate the financial burden on government bodies, particularly in light of escalating land acquisition costs. By limiting government exposure and incentivising private sector involvement, this shift could pave the way for enhanced project viability and reduced reliance on external financing, fostering sustainable growth and development in the roads and infrastructure sector.

Ports[28]

India's strategic coastal positioning along major shipping routes has a coastline stretching approximately 7,517 kilometres. This underscores its significance in global maritime trade. India commands over 30% of the ship-breaking market worldwide, hosting the world's largest facility for this purpose in Alang. In a bid to strengthen the nation's shipping and port sector, the government has implemented a range of incentives, both fiscal and non-fiscal, aimed at incentivising enterprises engaged in the development, maintenance and operation of ports, inland waterways and shipbuilding within the country.

Growth drivers

- The Indian Maritime Sector accounts for 95% of India's trade by volume and 70% by value.
- India ranks as the 16th largest maritime country globally.
- The Global Maritime India Summit, 2023, a major event in the maritime industry, attracted INR 10 lakh crore in investments, marking a substantial step towards realizing the 'Amrit Kaal Vision 2047' goal of INR 80 trillion in investments.

Outlook[29]

The Maritime India Vision 2030, launched in 2021, outlines over 150 initiatives to enhance the domestic maritime sector. Developed through extensive consultations involving 350 stakeholders from ports, shipyards, trade bodies and legal experts, it provides a roadmap for coordinated development. Among major ports, Deendayal Port led cargo handling with 137.56 million metric tonnes, followed by Paradip Port, JNPA and others in FY 23. This development is expected to encourage trade, create jobs and improve infrastructure in general, thereby collectively making a substantial contribution to the Indian economy.

Cement and Limestone[30]

Cement serves as a vital binding material extensively utilised in construction and engineering. In 2023, the Indian cement market reached a size of 396.7 million metric tonnes. Rapid economic growth and urban migration have amplified the demand for sturdy infrastructure and contemporary urban living spaces. Urbanisation, a prominent trend, sees millions relocating from rural to urban areas for better opportunities, education and enhanced lifestyles. This surge necessitates more housing, transportation systems, healthcare facilities and educational establishments.

[27]https://www.businesstoday.in/union-budget/story/interim-budget-2024-policy-progress-and-prospects-for-indias-highway-industry-415386-2024-01-30
[28]https://www.investindia.gov.in/sector/ports-shipping
[29]https://www.investindia.gov.in/sector/ports-shipping
[30]https://www.imarcgroup.com/india-cement-market

The need for contemporary industrial infrastructure has increased as industries grow. In addition, the need for commercial premises has increased due to the rise of domestic businesses and the influx of foreign corporations. An increasing number of corporate offices and retail establishments need well-designed, practical structures. Smaller cities and villages are also recording an expansion in commercial and industrial activity, suggesting that this demand is not limited to metropolitan areas.

Growth drivers

- There is a huge potential for growth in India's infrastructure and construction sectors, which are expected to drive significant demand for cement. Major initiatives like the development of smart cities are expected to provide a major boost to the cement industry.
- The Indian government has been approving investment schemes to help private sector companies thrive in the cement industry.
- The housing and real estate sectors account for around 65% of the total cement consumption in India. The growth in these sectors, supported by government initiatives like the affordable housing fund, is anticipated to fuel further demand for cement from the housing segment.
- As investments in roads, buildings, and other infrastructure projects rise worldwide, the use of limestone for applications like cement production and construction aggregates is anticipated to climb.

Outlook[31]

In the coming years, the Indian cement industry is projected to expand significantly. According to IMARC Group forecasts, the market is expected to reach 599.7 million metric tonnes by 2032, clocking a steady growth rate (CAGR) of 4.7% from 2024 to 2032. This growth will be propelled by several factors, including government initiatives and investments in infrastructure projects, ongoing innovations in cement production techniques and greater awareness of environmental concerns and regulations regarding carbon emissions and sustainability.

Global Defence Sector[32]

In 2023, the total global expenditure on military reached $2.01 trillion, with a projected increase to $2.13 trillion in 2024, signifying a 2.7% annual growth. This escalation is primarily driven by a variety of security challenges, such as territorial disputes, regional rivalries, and cross-border conflicts. As a result, nations are heavily investing in defence to preserve regional stability. The Middle East, in particular, is facing threats from terrorism and external aggression, leading to considerable defence spending.

The defence sector's investment in advanced military capabilities has been geared towards precision engagement and electronic warfare. This is evident due to projected increase of the airborne platform's value from $72 billion in 2023 to $75 billion in 2024. The broader objective of this growth is to modernize military technology. This is particularly salient in light of the recent Russia-Ukraine conflict, which has prompted the development of new generation armoured vehicles and improvements in artillery rockets and missile systems.

Outlook

It is anticipated that there will be a significant surge in worldwide military budgets in 2024, particularly in ground forces, in response to the ever-changing geopolitical landscapes and the necessity of addressing emerging security challenges. This increase reflects a strategic focus on enhancing troop readiness, modernizing equipment, and fortifying land defence

India's Defence sector[33][34]

In FY 2024, the defence sector in India reached a key milestone when it was valued at over INR 1 lakh crore for the first time. As the sector transformed from being a net importer to a net exporter, it recorded tremendous growth. Around INR 16,000 crore worth of exports were reported in FY2023, as opposed to INR 3,000 crore in the previous year. There has been a notable increase in demand for Indian defence products during the year. The Defence Research and Development Organisation's (DRDO) Technology Development Fund (TDF) has empowered the Ministry of Small, Micro and Medium Enterprises (MSME) and startups to develop indigenous capabilities leveraging cutting-edge defence technologies. With 164 technologies currently undergoing the process of indigenisation, a substantial amount of USD 30.8 million has been sanctioned. This initiative engaged 1,886 professionals and 5,270 companies in advancing defence technology.

Outlook[35]

The Indian defence sector faces several challenges, including import dependence for sophisticated weaponry, limited private sector participation, and a technological gap with leading defence manufacturers. Bridging this gap requires collaboration with foreign firms, substantial investment in research and development, and streamlining procurement procedures to attract more private players and expedite critical equipment acquisition. Additionally, nurturing a skilled workforce in aerospace engineering and advanced manufacturing is essential to sustain sectoral growth and innovation.

However, amidst these challenges lie economic and industry linkages that offer promising opportunities. Growth in the defence sector can catalyze manufacturing, generating employment and stimulating overall economic activity. Furthermore, advancements in defence technology often translate into civilian applications, fostering innovation across diverse industries. Strengthening the domestic defence industry not only enhances national security but also reduces reliance on foreign powers, positioning India as a formidable player in the global defence market. With continued government support, strategic partnerships, and a relentless focus on technological advancements, India is poised to achieve self-reliance and emerge as a major force in defence innovation and production.

Growth drivers

- Government's target to make India one of the top 5 global aerospace and defence manufacturers by 2025, driving investments in R&D and infrastructure.
- India's aspiration to emerge as a significant defence exporter presents lucrative opportunities for domestic companies to penetrate global markets. With a government-set target of $5 billion in defence exports by 2025, India is poised to leverage its expertise and resources in the defence sector, potentially reshaping its role in the international arms trade landscape.
- The "Aatmanirbhar Bharat" initiative emphasizes domestic defence equipment production, prompting increased government investment in indigenous manufacturing and reducing import reliance. With defence spending reaching ₹5.94 lakh crore in 2023-24, there's a clear push for modernizing armed forces and bolstering domestic industry.
- The Make in India Initiative promotes indigenous defence production, offering opportunities for both private and public sector companies to engage in advanced weaponry manufacturing.
- Increased defence spending, with a budget of ₹5.94 lakh crore allocated in 2023-24, signifying commitment to modernization and domestic industry growth.

Company overview

Founded in 1995 in Nagpur, India, Solar Group has swiftly ascended to global leadership in industrial explosives and defense solutions, under the visionary leadership of Mr. Satyanarayan Nandlalji Nuwal. The company looks forward to expanding into advanced markets of ammunitions and the space sector, forging a bold, futuristic path towards continued global leadership in Explosives and defence industries.

With operations spanning across 80+ countries and advanced manufacturing facilities in 10 nations, the group champions a diverse portfolio encompassing industrial explosives, detonators, propellants, and cutting-edge defense technologies.

Solar Group stands at the forefront of innovation, pioneering eco-friendly blasting solutions and revolutionary products like the 3-layer shock tube, redefining safety and efficiency benchmarks across global mining and infrastructure sectors.

Achieving prestigious certifications including ISO 9001:2000, ISO 14001:2004, and OHSAS 18001:2007, the group upholds uncompromising quality standards and operates a robust logistics network ensuring seamless global delivery.

Committed to sustainability and community impact, Solar Group integrates environmental responsibility into its core strategy.

[31] https://www.imarcgroup.com/india-cement-market
[32] https://www.marketsandmarkets.com/PressReleases/global-defence-industry-outlook.asp
[33] https://www.livemint.com/industry/yearender-2023-how-india-transitioned-from-defense-importer-to-exporter-11703477886136.html
[34] https://www.investindia.gov.in/sector/defence-manufacturing
[35] https://www.investindia.gov.in/sector/defence-manufacturing

Opportunities

- **Global demand for coal and other minerals[36]-** The surge in coal demand and production is rapidly shifting towards Asia, with China, India and Southeast Asia projected to represent 75% of global consumption, a significant increase from 56% in 1990. By CY 2023, coal consumption in Southeast Asia is estimated to exceed that of the United States and the European Union, with India and Southeast Asia emerging as the only regions expected to report significant expansion. Meanwhile, the growth of renewable energy in advanced economies, coupled with reduced electricity demand, is accelerating the structural decline of coal consumption.

- **Government initiatives[37]-**The government's emphasis on the Make in India initiative to build an Atmanirbhar Bharat aims to reduce import dependency and boost domestic demand within India's defence industry. Additionally, there is a concerted effort to bolster Micro, Small and Medium Enterprises (MSMEs) in the defence export sector by implementing favourable policies and initiatives. This strategic approach aligns with the broader goal of enhancing self-reliance and bolstering indigenous capabilities in the defence manufacturing sector, contributing to the overall economic growth and security of the nation. India has introduced a Production Linked Incentive (PLI) scheme for 14 key sectors to boost manufacturing capabilities and exports. Additionally, the widespread implementation of PM Gati Shakti program will play a pivotal role in streamlining infrastructure development and connectivity initiatives nationwide.

- **Infrastructural demands[38]-** India aims to achieve sustained growth of over 8% by developing contemporary infrastructure comparable to that of developed nations. The government's vision for a 'Developed Nation' by CY 2047 is driving a revolutionary transformation in the infrastructure sector, with the Gati Shakti programmes. This initiative encompasses key projects like Bharatmala, Sagarmala, inland waterways, dry/land ports and regional airports through the Ude Desh ka Aam Nagrik (UDAN) initiative. Significant progress has been made in constructing national highways that connect passenger, trade and freight hubs, setting the stage for India's infrastructure advancement by CY 2047. The government of India's 2024-2025 budget allocation of INR 2.78 lakh crore in the road and highway sector also paves the path for further growth.

- **Advancements in the Space sector [39]-** The Space sector is poised to value around USD 13 billion by CY 2025, with India aiming to achieve a substantial 10% share of the global economy by CY 2030. Acknowledging the crucial role of the private sector, the government is emphasizing India's need to strengthen its position in the global space sector. This underscores the substantial contributions anticipated from over 400 industrial organizations. These initiatives have established a strong foundation for the growth of the Indian industrial explosives industry.

- **Strategic partnerships with local companies -** Forming partnerships with local companies can provide manufacturers with valuable market knowledge and help them better navigate regulatory environments they may be unfamiliar with.

- **Develop tailored cost-effective and safer solutions -** There is an opportunity to develop explosive products tailored specifically to the needs, use cases and budgets in emerging markets, including more cost-effective and safer explosive materials.

[36]https://www.iea.org/news/global-coal-demand-expected-to-decline-in-coming-years

[37]https://pib.gov.in/PressReleasePage.aspx?PRID=1990377#:~:text=During%20FY%202022%2D23%2C%20FDI,33%20billion%20has%20been%20reported.

[38]https://www.businesstoday.in/india-at-100/story/infrastructure-revolution-fuelling-indias-economic-growth-towards-2047-395205-2023-08-23

[39]https://www.investindia.gov.in/sector/space

Threats

As the Company's operating environment is dynamic, it is exposed to potential risks, such as

- Stringent regulations - Markets may have very stringent and costly regulations around licensing, safety protocols, environmental impact etc. that companies need to adapt their operations to.
- Uncertain regulatory environment - Regulations in these markets can be fluid and change frequently, requiring companies to stay constantly updated to remain compliant.
- Established overseas competition - Well-resourced and experienced manufacturing companies operating in the market can be strong competitive threats, especially for high-value contracts.
- Local competition - Domestic Explosives manufacturing Companies with low operating costs and established relationships may emerge as competitors.
- Economic/political volatility - Emerging economies are often susceptible to economic booms/ busts and political instability, which can create volatile demand for explosives.
- Infrastructure bottlenecks - Underdeveloped infrastructure can make logistics around safely transporting and storing explosives challenging.
- Skilled workforce shortage - Finding local skilled workers experienced in handling explosives may be difficult in some emerging markets.

  However, Solar's robust financials, operational efficiencies and enhanced intellectual capabilities enable it to efficiently tide over these short-term headwinds.

Product wise performance

Product portfolio

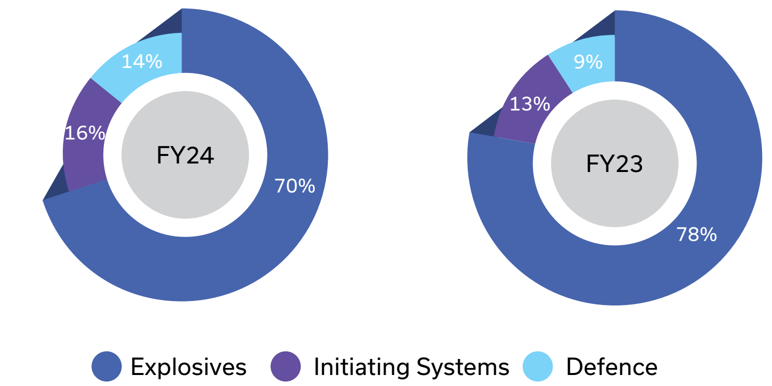
Industrial Explosives

- Bulk Explosives
- Packaged Explosives
- Initiating Systems

Defence Products

- High Energy Materials (HMX, RDX, TNT and their Compounds)
- Pinaka Rockets
- Composite Propellants for Akash, Brahmos, PSOMXL & Space Rocket motors
- 30 mm Ammunition, Multi-Mode Hand Grenade, Mines, Warheads, Bund Blasting Devices
- Artillery Fuses, ASW Fuzes, Pyros and Igniters
- Chaff Payloads
- Loitering Munition
- Rocket Integration
- Air Bombs
- Explosive Filling of Ammunition

Product-wise revenue mix



Risk management

The Board of Directors at Solar shoulders the overarching responsibility of overseeing risk management and internal controls. This involves a specific emphasis on gauging the Company's risk tolerance, while consistently evaluating and tracking key risks and scrutinising reports generated by internal auditors pertaining to internal controls and risk assessments.

Find the detailed Risk management grid of the Company on page 22.

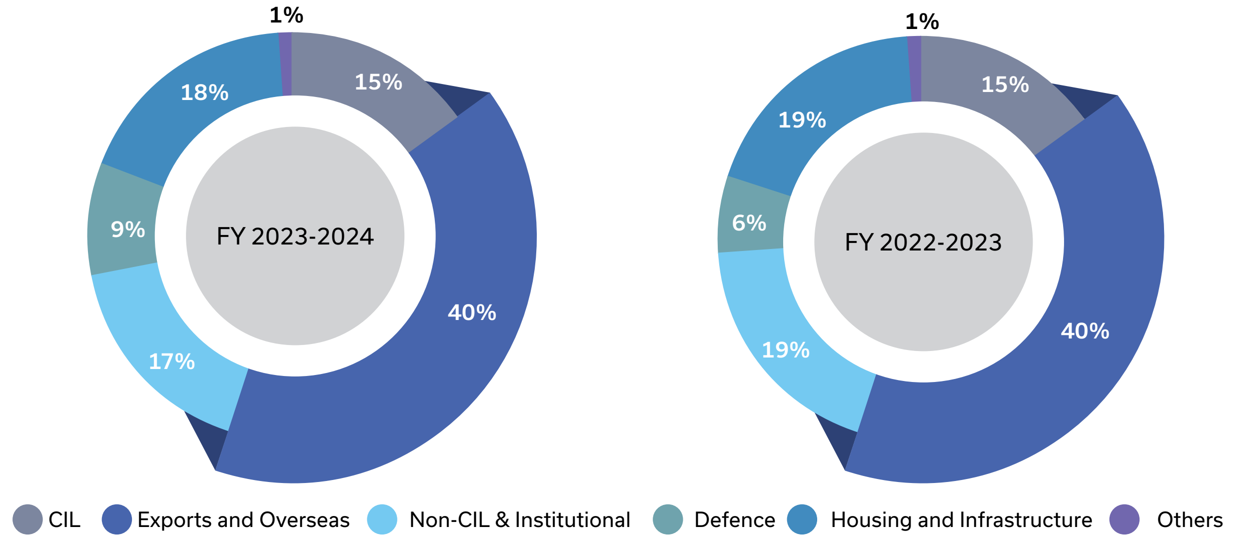
Financial Overview

SL. No.	Key financial ratios	FY 2023-2024	FY 2022-2023
1	Debtors' Turnover	6.51	9.09
2	Inventory Turnover	15.29	18.75
3	Interest Coverage Ratio	12.50	14.42
4	Current Ratio	1.76	1.53
5	Net Debt Equity Ratio	0.19	0.35
6	Adjusted Operating Profit Margin (%)	20.20%	16.76%
7	Adjusted Net Profit Margin (%)	14.42%	11.72%
8	Return On Net Worth* (%)	25.29%	29.00%

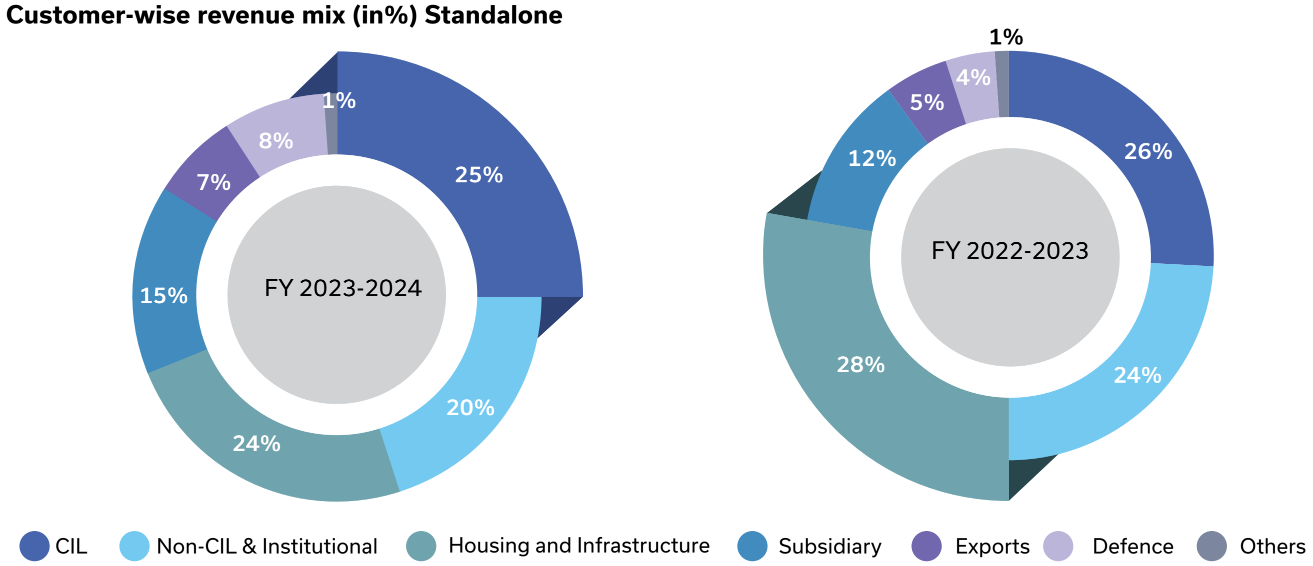
*The decrease of 3.71% in the Return on Net Worth is mainly due to Non proportionate increase in profits due to high exchange differences on translation of foreign operations.

1. There is change of 28.38% in Debtors Turnover Ratio FY 2023-24 on account of mainly increase in trade receivable.
2. There is change of 45.71% in Net Debt Equity Ratio on account of repayment of working capital loan and increase in retained earning.
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.

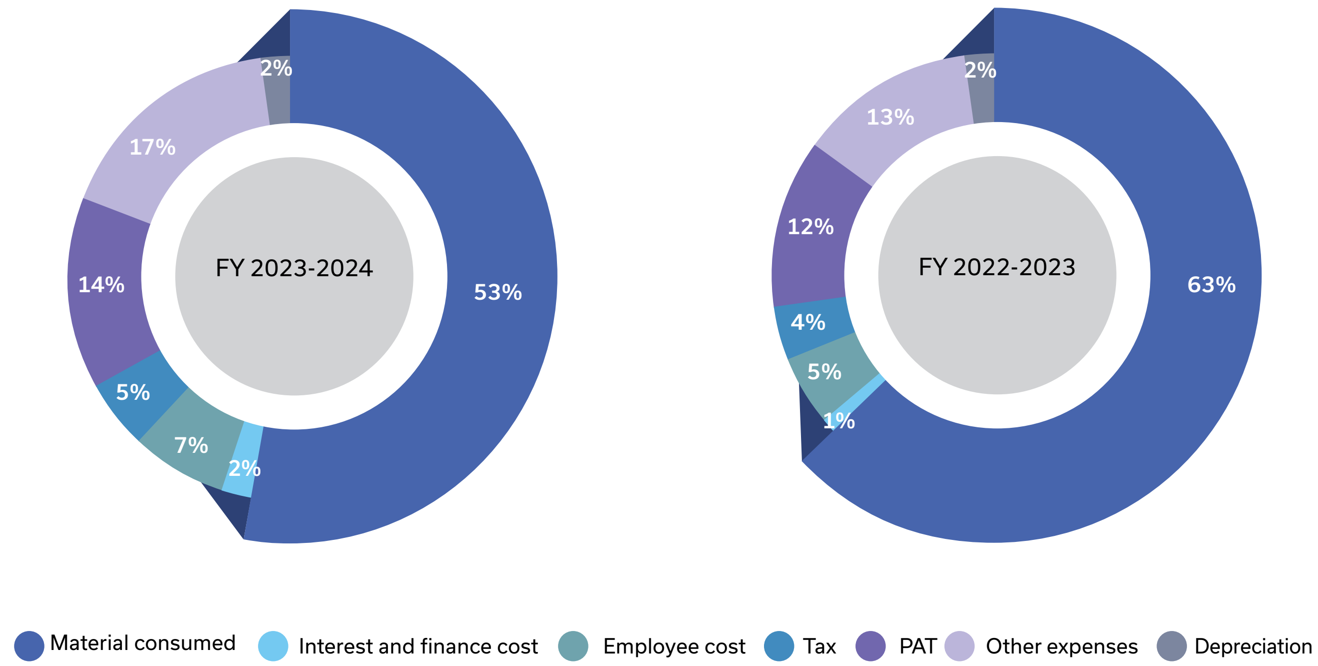
Customer-wise revenue mix (in %) Consolidated



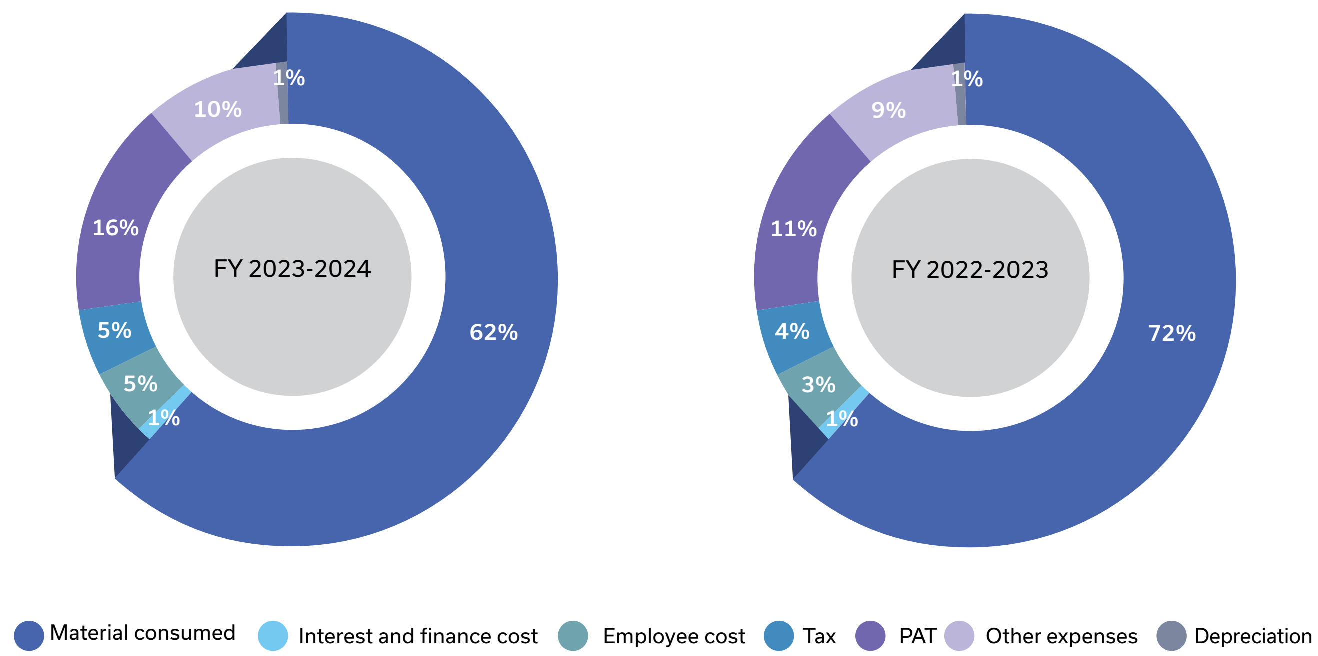
Customer-wise revenue mix (in%) Standalone



Annual Expenses Breakup (in %) consolidated



Annual Expenses Breakup (in %) standalone



Human resource

Read in detail about the people, culture and engagement practices of the Company on page no. 40

Outlook

Solar Industries India Limited is well-positioned for increased margins and profitability by utilising targeted expansions into new markets, including Kazakhstan and Saudi Arabia. Driven by strong results in coal mining and infrastructure, the Company has had exceptional volume growth, with a notable 27% increase in the third quarter and an 18% gain in the last nine months. The Company expects cautious volume growth of 15% over the next three to five years and looks forward to stable volume growth and higher revenues from defence products. While continuing on its upward trajectory, the Company remains steadfast in its commitment to creating sustainable value for all stakeholders.

Internal control systems and their adequacy

The Solar Group has implemented robust internal control systems and procedures to oversee its diverse business processes. The Company has clearly defined roles and responsibilities for all managerial positions, ensuring a structured organisational framework.

To effectively monitor and control financial parameters, the Solar Group leverages the SAP ERP software system. The internal control system is designed to align with the size, scale and complexities of the Company's operations. The Audit Committee plays an active role in reviewing the adequacy and effectiveness of these internal control systems, providing valuable insights and recommendations for enhancements.

With a focus on aligning processes and controls with best practices, the Solar Group maintains a strong Management Information System. Additionally, the Audit Committee engages with statutory auditors to gather their perspectives on the adequacy of internal control systems, periodically informing the Board of Directors about major observations.

For internal audit functions, an independent firm of chartered accountants has been appointed. They monitor the internal audit activities based on a plan that undergoes annual review in consultation with statutory auditors and approval by the audit committee.

The Company has identified reporting risks associated with major elements in the financial statements and has established controls to mitigate these risks. Periodic reassessment of these risks and prevention controls takes place, considering changes in business dynamics, IT systems, regulations and internal policies.

In accordance with Section 177 of the Companies Act 2013 and Regulation 18 of SEBI Regulations 2015, the Audit Committee has concluded that as of March 31, 2024, internal financial controls were deemed adequate and operating effectively.

Cautionary statements

This document includes forward-looking statements regarding anticipated future events, as well as the financial and operating outcomes of Solar Industries India Limited. Forward-looking statements inherently involve assumptions and are susceptible to inherent risks and uncertainties. There exists a substantial risk that the assumptions, predictions and other forward-looking statements may not be realised as accurate. Readers are advised to exercise caution and not place undue reliance on these forward-looking statements, considering that various factors could lead to disparities between the assumed and actual future results and events.

Consequently, this document is subject to a disclaimer and is qualified in its entirety by the assumptions, qualifications and risk factors outlined in the Management's Discussion and Analysis section of Solar Industries India Limited's Annual Report for the fiscal year 2023-2024.

Director's Report

Dear Members,

Your Board of Directors (Board) have pleasure in presenting the Twenty Ninth Annual Report on the business and operations of the Company, together with the audited financial statements (Standalone & Consolidated) for the financial year ended March 31, 2024.

1. Financial Highlights

(₹ in Crore except EPS)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	3717.52	4162.25	6069.52	6922.53
Other Income	58.34	55.84	44.47	31.52
Less: Expenditure	2882.86	3533.42	4700.31	5633.61
Profit before Depreciation, Amortization, Finance Costs, Exceptional Items and Tax Expense (Operating profit)	893.00	684.67	1413.68	1320.44
Less: Finance Costs	29.58	27.57	109.37	90.38
Profit before Depreciation, Amortization, Exceptional Items & Tax Expense	**863.42**	**657.10**	**1304.31**	**1230.06**
Less: Depreciation and Amortization expense	63.37	57.02	143.38	128.21
Profit before Tax Expense & Exceptional item	**800.05**	**600.08**	**1160.93**	**1101.85**
Less: Exceptional item	-	-		-
Profit before Tax (PBT)	**800.05**	**600.08**	**1160.93**	**1101.85**
Share of Profit/(Loss) of associates	-	-	0.35	(0.27)
Less: Tax Expense	203.75	154.69	286.05	290.41
Profit for the year	**569.30**	**445.39**	**875.23**	**811.17**
Other Comprehensive Income (Net of Tax)	55.11	24.35	(171.79)	(31.63)
Total Comprehensive Income	**651.41**	**469.74**	**703.44**	**779.54**
Balance of profit for earlier years	870.10	592.58	1681.50	1092.26
Less: Transfer to Reserves	100.00	100.00	101.42	119.76
Less: Dividend paid on Equity Shares	72.39	67.87	72.39	67.87
(Add)/Less: other adjustment*	55.11	24.35	(181.40)	2.67
Less: Dividend Distribution Tax	-	-		-
Balance carried forward	1294.01	870.10	2392.53	1681.50
Earnings Per Share (EPS)	65.90	49.22	92.38	83.68

*Major amount include of foreign currency translation reserve

Financial & Operational Performance

Performance of the Company and State of Company's Affairs

Our turnover stood at ₹ 6070 Crore for the year. In the financial year 2023-24, better performance in domestic business and increased defence sales, helped us to expand our margins resulting in the highest ever EBITDA & PAT in absolute terms for the year at ₹ 1414 Crore & ₹ 875 Crore. The Volume also grew significantly by 20% year on year basis. These results were achieved despite the losses from currency fluctuations and hyper inflationary conditions. This kind of performance reflects the strength of the Company & its Management. As a result, our Company is well positioned for sustainable growth and continued success in the future.

Company's performance (Standalone) for the year ended March 31, 2024 are as under:

- During the year under review, the Company achieved turnover of ₹ 3717.52 Crore in the financial year 2023-24 against turnover of ₹ 4162.25 Crore achieved during the previous year 2022-23.
- Profit before Depreciation, Amortization, Exceptional Items & Tax Expense for the financial year 2023-24 is ₹ 863.42 Crore against ₹ 657.10 Crore in the year 2022-23.
- Earnings per Share as on March 31, 2024 are ₹ 65.90 vis a vis against ₹ 49.22 as on March 31, 2023.
- The net worth of the Company stands at ₹ 2346.47 Crore at the end of financial year 2023-24 as compared to ₹ 1767.45 Crore at the end of financial year 2022-23.

Company's performance (Consolidated) for the year ended March 31, 2024 are as under:

- During the year under review, the Company achieved turnover of ₹ 6069.52 Crore in the financial year 2023-24 as against turnover of ₹ 6922.53 Crore achieved during the previous year 2022-23.

- Profit before Depreciation, Amortization, Exceptional Items & Tax Expense for the financial year 2023-24 is ₹ 1304.31 Crore against ₹ 1230.06 Crore in the year 2022-23.
- Earnings Per Share as on March 31, 2024 is ₹ 92.38 vis a vis against ₹ 83.68 as on March 31, 2023.
- The net worth of the Company stands at ₹ 3,305.60 Crore at the end of financial year 2023-24 as compared to ₹ 2,610.34 Crore at the end of financial year 2022-23.

2. Transfer to Reserves

The Company has transferred ₹ 100 Crore to the general reserve out of the amount available for appropriations and an amount of ₹ 1294.01 Crore is proposed to be retained in the statement of profit and loss.

3. Dividend

The Dividend Distribution Policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on May 16, 2024 has recommended payment of ₹ 8.50/- per equity share i.e. 425% of the face value of ₹ 2 each as final dividend for the financial year ended March 31, 2024. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend on equity shares for the financial year 2023-24 would aggregate to ₹ 76.92 Crore.

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

4. Material Changes and Commitments

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

5. Deposits

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

6. Particulars of Loan, Guarantees or Investments

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

7. Subsidiaries, Associates and Joint Venture

The Company has seven wholly owned subsidiaries, twenty four step-down subsidiaries and four Associate Company as on March 31, 2024. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Keeping pace with the strategy of selective internationalisation, the Company has set up two step-down subsidiary Company (through Solar Overseas Singapore Pte Ltd) in Kazakhstan named Solar Nitro Kazakhstan Limited which was Incorporated on May 5, 2023, in Sierra Leone named Solar Nitro (SL) Limited which was incorporated on November 07, 2023 and one step-down subsidiary Company (through Solar Industries Africa Limited, Mauritius) in South Africa named Ortiz Investments Pty Limited which was Incorporated on May 9, 2023.

During the year under review, Solar Nitro Kazakhstan Limited (Step Down Subsidiary of Solar Industries India Limited) has acquired 100% stake in Power Blast LLP (Kazakhstan) on October 1, 2023.

During the year under review, the board of Directors reviewed the affairs of material subsidiaries. There has been no material change in the nature of the business of the subsidiaries.

8. Financial Performance of Company's Subsidiaries

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

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

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

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the financial year ended March 31, 2024 is in the prescribed Form AOC-1 forms a part of the Annual Report.

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

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

9. Material Subsidiary

Economic Explosives Limited, Solar Overseas Mauritius Limited and Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi are the material subsidiaries of the Company as per the thresholds laid down under the Listing Regulations. There has been no material change in the nature of the business of the subsidiary.

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

10. Capital and Finance

Equity Shares

The paid-up Equity Share Capital as on March 31, 2024 was ₹ 18.10 Crore. There was no change in the Share Capital during the year under review.

Sweat Equity Shares

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

Differential Voting Rights

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

Employee Stock Options

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

Non-Convertible Debentures

During the year under review, the Company has issued and allotted 3500 (Three Thousand Five Hundred) unsecured, rated, listed, senior, redeemable, non-convertible debentures having face value of ₹ 1,00,000/- (Rupees One Lakh Only) each aggregating of ₹ 35.00 Crore on March 22, 2024, by way of private placement basis. The proceeds of the issue will be utilised for Refinancing/ Repayment of the existing Debt and for the General Corporate/ Business Purpose of the Company.

During the financial year 2023-24, the Company had partially redeemed 200 (Two Hundred) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 10,00,000/- (Rupees Ten Lakh Only) each amounting to ₹ 20.00 Crore (Rupees Twenty Crore) and made an Interest Payment amounting to ₹ 3.89 Crore at a coupon rate of 8.20% per annum and as on the date the outstanding amount of (NCDs) is ₹ 70 Crore.

Commercial Papers

During the Financial year 2023-24, the Company has redeemed Commercial Paper on May 20, 2023 amounting to ₹ 50 Crore (Rupees Fifty Crore) which was issued on November 21, 2022.

Borrowings

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

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 auditor's confirming compliance is annexed and forms part of the Annual Report.

12. Risk Management

The Company has a risk management policy pursuant to Section 134(3)(n) of the Act, 2013 read with Companies (Accounts) Rules, 2014, which guides identification of risk, that may threaten to the existence of the Company assess them and implement appropriate risk mitigation plan.

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

It takes into consideration the nature, scale and complexity of the business. Details on risk management activities of the Company including key risks identified and their mitigation is available at page no.22 of this report. 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 Rules'), 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 ₹ 52684.00 relating to financial year 2016-2017 (Interim Dividend). The details of unpaid/unclaimed dividend transferred to IEPF Authority are available on the Company's website www.Solargroup.com.

Further, no shares were transferred to the demat account of IEPF authority as per the requirements of IEPF rules. The details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

14. Declaration from Independent Directors

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

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

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

15. Board Meetings

During the year under review five Board Meetings were convened and held on May 3, 2023, August 3, 2023, November 2, 2023, November 28, 2023 and February 7, 2024.

16. Board Committees & Number of Meetings of Board Committees

The Board has Constituted the following Committees: -

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

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

17. Internal Financial Control and its Adequacy

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

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

The Company tracks all amendments to Accounting Standards, the Act and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. During the current year, the Company assessed the impact of changes in Schedule III under the Act and Accounting Standards on its financial reporting and accordingly made necessary changes in its policies, processes and disclosures.

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

18. Board Diversity

The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as business, industry, finance, law, administration, Accounting Technology etc. and bring with them experience and skills which add value to the performance of the Board. The Directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

19. Reporting of Frauds

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

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) and other voluntarily adopted Secretarial Standards such as Secretarial Standard on Dividend (SS-3), Secretarial Standard on Report of the Board of Directors (SS-4) issued by Institute of Company Secretaries of India.

21. Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the operations of the Company in future.

22. Vigil Mechanism

The Company believes in doing business with integrity and displays zero tolerance for any form of unethical behavior. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

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

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

23. Prevention of Sexual Harassment of Employees at Workplace

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

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

The Company has constituted Internal Complaints Committee and has complied with all the provisions of constitution of Committee for various work places to redress and resolve any complaints arising under the POSH Act. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

24. Directors and Key Managerial Personnel

a. Retirement by Rotation and subsequent Re-appointment

Shri Manish Nuwal, Managing Director & CEO being the longest in the office among the directors liable to retire by rotation, retires from the Board this year and being eligible, has offered himself for re–appointment.

The Boards of Directors recommends his re-appointment at Item No. 3 of the Notice Calling 29th 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 29thAnnual General Meeting.

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

b. Non-Retiring Chairman

Pursuant to the insertion of Regulation 17(1D) through SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 w.e.f. July 15, 2023, the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the Shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment. Further the Shareholders approval is to be obtained in the first general meeting to be held after March 31, 2024.

The Board of Directors in their meeting held on May 16, 2024 have approved the continuation of appointment of Shri Satyanarayan Nuwal (DIN: 00713547), as a Non-Executive, Non-Independent Director, designated as the Chairman of the Company, not liable to retire by rotation for the period of 3 (Three) years from the date of approval of his continuation as Director or till he attains the age of Seventy-five years subject to approval of the shareholders at the ensuing General Meeting of the Company.

c. Appointment of Non-Executive Independent Director

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

i) Appointment of Smt. Rashmi Prasad (DIN: 10329445) as an Additional Director (Non-Executive Women Independent Director) of the Company, not liable to retire by rotation for a period of Two (2) consecutive years commencing from September 21, 2023 through Circular Resolution dated September 21, 2023, subject to approval of members of the Company through Special Resolution.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 2, 2023, for seeking the approval of Members of the Company by way of Special Resolution for appointment Smt. Rashmi Prasad (DIN: 10329445) as a Women Independent Director of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated November 2, 2023 has failed to get the requisite majority.

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

In light of the above amendment, Smt. Rashmi Prasad (DIN: 10329445) is deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

The Independent Director appointed by the Board are of integrity and possess the requisite expertise and experience (including proficiency). Smt. Rashmi Prasad (DIN: 10329445) will appear for an online proficiency self-assessment test conducted by the institute within a period of two years from the date of inclusion of her name in the data bank maintained by Indian Institute of Corporate Affairs (IICA).

ii) Appointment of Shri Dinesh Kumar Batra (DIN: 08773363) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Two (2) consecutive years commencing from April 1, 2024 through Circular Resolution dated March 28, 2024, subject to approval of members of the Company through Resolution on or before June 30, 2024.

d. Re-appointment

Shri Suresh Menon (DIN: 07104090) was reappointed as a Whole time Director designated as Executive Director of the Company for the term of 2 (Two) years in the 28th Annual General Meeting held on June 21, 2023.

Further Board of Directors in their meeting held on May 16, 2024 have approved the Re-appointment of Shri Suresh Menon (DIN: 07104090) as a Whole time Director of the Company for a term of three years with effect from May 11, 2025 to May 10, 2028, subject to approval of the shareholders at the ensuing General Meeting of the Company.

e. Cessation of Directors

1. Smt. Sujitha Karnad (DIN: 07787485) ceased to be the Non-Executive Independent Director of the Company w.e.f June 21, 2023. The proposed Special Resolution for her reappointment was not approved by the Shareholders in their meeting dated June 21, 2023.

2. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director of the Company has completed his second term on March 31, 2024 and accordingly ceased to be an Independent Director of the Company with effect from April 1, 2024.

f. Vacation of Director

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

g. Key Managerial Personnel

The Key Managerial Personnel of the Company as on March 31, 2024 are:

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

25. Board Evaluation

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

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

26. Nomination & Remuneration Policy

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) approve and recommend compensation packages and policies for Directors and Senior Management; (iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors; and (iv) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

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

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

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

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

28. Annual Return

The Annual Return of the Company as on March 31, 2024 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.solargroup.com

29. Statement of Disclosure of Remuneration

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

a. The Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2023-24, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Director(s) and Company Secretary during the financial year 2023-24 is as follows:

Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2023-24
Shri Manish Nuwal	Managing Director & CEO	417.4	56.41%
Shri Suresh Menon	Whole Time Director	26.9	43.90%
Shri Milind Deshmukh	Whole Time Director	27.6	42.35%
Shri Moneesh Agrawal	Joint Chief Financial Officer	10.7	9.30%
Smt. Shalinee Mandhana	Joint Chief Financial Officer	9.4	20.59%
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	5.9	13.04%

Note:

1. The Non-Executive Independent Directors of the Company were only paid sitting fees for attending Board and Committee meetings.

b. The percentage increase in the median remuneration of employees in the financial year: 8.00%

c. The number of permanent employees on the roll of Company: 1886

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

The average percentage increase in the salaries of employees excluding key managerial personnel for the year 2023-24 was 8.20% whereas there is an increase in the key managerial personnel remuneration by 51.91%.

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.

30. Related Party Transactions

All transactions with related parties during the financial year 2023-24 were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of unforeseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis.

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

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

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

The Company in terms of Regulation 23 of the Listing Regulations shall submit on the date of declaration of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges. The said disclosures can be accessed on the website of the Company at www.solargroup.com.

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

31. Human Resources and Industrial Relations

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

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

32. Auditors and Auditors Report

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s SRBC & Co. LLP Chartered Accountants (Firm Registration No. 324982E/ E300003) jointly with M/s. Gandhi Rathi & Co (Firm Registration No. 103031W) were appointed as Statutory Auditor of the Company for a term of 5 consecutive years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.

M/s SRBC & Co. LLP Chartered Accountants (Firm Registration No. 324982E/ E300003) jointly with M/s. Gandhi Rathi & Co (Firm Registration No. 103031W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Auditors' Report

The Auditor's Report for the year ended March 31, 2024 on the financial statements of the Company is a part of this Annual Report. The notes on Financial Statements referred in the Annual Report are self-explanatory and do not call for any further comments.

The Auditor's Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark.

Cost Auditors and Cost Records

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act. Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Nagpur has carried out the cost audit for applicable products during the financial year 2023-24.

The Board on the recommendation of the audit committee, have appointed Shri Deepak Khanuja, Partner of M/s Deepak Khanuja & Associates as its Cost Auditors to audit the cost records of the Company for the financial year 2024-25. A certificate has been received from the Cost Auditors to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limit as specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking member's approval for the remuneration payable to Cost Auditors forms part of the Notice convening 29th Annual General Meeting of the Company and the same is recommended for approval of Members.

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

Internal Auditor

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

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

The Board of Directors of the Company has appointed M/s. Protiviti India Member Private Limited to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2024-25.

Secretarial Auditors

The Secretarial Audit for the year 2023-24 was undertaken by Shri Anant B Khamankar, of Anant B Khamankar & Co. practicing Company Secretary the Secretarial Auditor of the Company. The Secretarial Audit Report for the financial year ended March 31, 2024 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations records of the Company and its Material Subsidiary are annexed herewith as "**Annexure B1** and **B2**".

The Secretarial Audit Report for the financial year 2023-24, does not contain any qualification, reservation, or adverse remark.

The Board of Directors, has appointed Vinod Kothari & Company, practicing Company Secretary to conduct the secretarial audit of the Company for financial year 2024-25. They have consented and confirmed their eligibility for the appointment.

33. Corporate Social Responsibility

The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives by way of Promoting Health, Animal Welfare, Rural Development, Empowering Women, Skill Development and Promoting Education.

The Corporate Social Responsibility policy lays down the guiding principles and strategies for implementing CSR initiatives of the Company.

A detailed report on Solar's various CSR initiatives has been provided in the Annual Report as required under Section 135 of the Companies Act, 2013 (Act) which is annexed as "**Annexure C**" to this report on page No. 106.

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

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(3) of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure D**".

35. Management Discussion and Analysis Report

A detailed review of operations, performance and 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.

36. Statement of Management Responsibility for Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment's and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

37. Cyber Security

The Company has a comprehensive policy on data privacy. The Company is committed to providing the highest level of protection regarding the processing of its employees', vendors' and customers' personal data based on applicable data protection laws and regulations. During the year under review, there were no reported instances of issues regarding cyber security, data privacy of customers or product recalls. We have adhered to best practices in security. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

In view of increased cyberattack scenarios, the cyber security maturity is reviewed periodically and the processes, technology controls are being enhanced in-line with the threat scenarios. Your Company's technology environment is enabled with real time security monitoring with requisite controls at various layers starting from end user machines to network, application and the data.

38. Business Responsibility and Sustainability Report

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

The Company published its first Business Responsibility and Sustainability Report (BRSR) in the financial year 2022-23. We are proud to publish our second Business Responsibility & Sustainability Report for the year 2023-24, in compliance with the Regulation 34(2)(f) of SEBI Listing Regulations which forms a part of this Annual Report. It is also available on the Company's website and can be accessed at www.solargroup.com.

The BRSR for financial year 2023-24 is aligned with the nine principles of the National Guidelines on Responsible Business Conduct and the Company has undertaken reasonable assurance of all the core Principles of BRSR as per the SEBI circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 as the Company is covered in the top 150 listed entity as per the Market Capitalization as on March 31, 2024.

39. Incident at Chakdoh Plant

During the year under review, an unfortunate incident had occurred at the plant situated at Chakdoh, Bazargoan, Nagpur which has resulted in 9 fatalities. The Company and its Board of Directors deeply mourns this loss of lives and stands with the family of the deceased in this moment of grief.

The Company has provided all the possible support and relief measures to the families of the deceased and is committed to provide the same in future. Safety will continue to remain a core value for the Company. In the wake of this incident, the Company have undertaken a comprehensive review of our safety protocols to prevent such tragedies from happening again.

40. Director's Responsibility Statement

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

i. In the preparation of the annual accounts of the Company for the year ended March 31, 2024, 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, 2024 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, 2024 have been prepared on a going concern basis.

v. Proper Internal financial controls are in placed in the Company and such internal financial controls are adequate and operating effectively.

vi. Proper Systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

41. Other Disclosures

i. The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial

Institutions along with the reasons thereof, is not applicable.

ii. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

iii. The Company has not failed to implement any corporate action during the year under review;

iv. The Company's securities were not suspended during the year under review;

v. The Company has registered itself on Trade Receivables Discounting System platform (TReDS) through the service providers Receivables Exchange of India Limited. The Company complies with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.

vi. There has been no change in the nature of business of the Company.

vii. There was no revision of financial statements and Board's Report of the Company during the year under review.

viii. During the year under review, Emul Tek Private Limited ("ETPL"), one of the Wholly owned subsidiary of Solar Industries India Limited has made investment in Rajasthan Explosives and Chemicals Limited ("RECL") by acquiring the entire business and undertaking of RECL through Business Acquisition Agreement dated April 10, 2023.

ETPL has acquired the control in RECL on the terms and conditions as set out in Business Acquisition Agreement with effect from December 16, 2023.

Both these Companies (ETPL and RECL) had filed the petitions, pursuant to the provisions of Sections 230 – 232 of the Companies Act 2013, before National Company Law Tribunal ("NCLT"), Mumbai Bench on February 26, 2024 for seeking approval on scheme of merger.

42. CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2023-24 signed by Shri Manish Nuwal, Managing Director & CEO, and Shri Moneesh Agrawal Joint CFO and Smt. Shalinee Mandhana Joint CFO, was placed before the Board of Directors of the Company at its meeting held on May 16, 2024 and is also forms a part of this Annual Report.

43. Appreciation & Acknowledgement

Your directors would like to record their appreciation for the enormous personal efforts as well as the collective contribution of all the employees to the Company's performance. The Board of Directors would also like to express their deep sense of gratitude to the financial Institutions, Banks, Government, Regulatory authorities, Stock exchanges, Customers, Shareholders, Suppliers, Business associates, Debenture holders and Debenture trustee for their support and look for their continued assistance and Cooperation.

For and on behalf of the Board

	Sd/-	Sd/-
Place : Nagpur	**Manish Nuwal**	**Milind Deshmukh**
Date : May 16, 2024	Managing Director & CEO	Executive Director

Annexure 'A'

Form No. AOC-2

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

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

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

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

	Sd/-	Sd/-
Place : Nagpur	**Manish Nuwal**	**Milind Deshmukh**
Date : May 16, 2024	Managing Director & CEO	Executive Director

Annexure 'B1'

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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
CIN: L74999MH1995PLC085878
"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, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Solar Industries India Limited for the financial year ended on 31st March, 2024, 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 thereunder 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'):-

(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;(not applicable to the Company for the period under review)

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable to the Company for the period under review)

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable to the Company for the period under review)

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

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

(vi) OTHER APPLICABLE LAWS:

a) The Indian Boilers Act, 1923

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

c) The Explosives Act, 1884

d) The Environment (Protection) Act, 1986

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

f) Legal Metrology Act, 2009

g) The Public Liability Insurance Act, 1991

h) The Minimum Wages Act, 1948

i) The Contract Labour (Regulation and Abolition) Act, 1970

j) The Factories Act, 1948

k) The Industrial Disputes Act, 1947

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

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

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

We further report that:

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

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

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

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

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

1. The Investor complaint raised by Shri Kailashchandra Nuwal & Others during the September quarter of 2020-21 remains unsolved till date as the matter is sub-judice before the Honorable National Company Law Tribunal, The National Company Law Appellate Tribunal and the Honorable Supreme Court.

   "The Company, Solar Industries India Limited had filed an appeal against the order of the Hon'ble National Company Law Appellate Tribunal ("NCLAT") in the Company Appeal (AT) No. 29 of 2021 dated December 14, 2021, before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court virtually on January 10, 2022. After considering the submissions of the parties, the Hon'ble Supreme Court has stayed the impugned orders of NCLT dated 09.02.2021 and NCLAT dated 14.12.2021"

2. A Fire incident has occurred in the burning area of Economic Explosives Limited, a wholly owned subsidiary of the Company, on August 12, 2023 while disposal of waste material. The incident resulted in an unfortunate casualty of one workmen and injuries to two others. There is no material loss or financial impact on the Company.

3. An Explosion incident occurred on December 17, 2023 in the processes building no. HRCPCH-2 (Pallet Casting House) of the Company. The incident has resulted in 9 casualties of workmen working in the plant. There is a financial impact limited to this one particular building.

4. One of the wholly owned subsidiaries of the Company has agreed to make an investment in Rajasthan Explosives and Chemicals Limited ("RECL") by acquiring the entire business and undertaking of RECL through Business Acquisition Agreement dated April 10, 2023.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR
FCS No. – 3198
CP No. – 1860
UDIN: F003198F000312672

DATE : May 06, 2024
PLACE : MUMBAI
PR No: 1283/2021

Annexure 'B2'

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE PERIOD ENDED ON MARCH 31, 2024

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

To
The Members,
ECONOMIC EXPLOSIVES LIMITED
CIN: U24292MH1995PLC091808
11 Zade Layout Bharat Nagar,
Nagpur - 440033, Maharashtra

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 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 period ended on 31st March, 2024 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 there under; (not applicable to the Company for the period under review)

(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 and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

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

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

(vi) OTHER APPLICABLE LAWS:

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

b) The Explosives Act, 1884

c) Legal Metrology Act, 2009

d) The Public Liability Insurance Act, 1991

e) The Contract Labour (Regulation and Abolition) Act, 1970

f) The Minimum Wages Act, 1948

g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

h) The Environment (Protection) Act, 1986

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

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

k) The Factories Act, 1948

l) Mines Act, 1952 (wherever applicable)

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

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

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

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

We further report that:

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

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

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

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

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

1. A Fire incident has occurred in the burning area of the Company, on August 12, 2023 while disposal of waste material. The incident resulted in an unfortunate casualty of one workmen and injuries to two others. There is no material loss or financial impact on the Company. Adequate compensation has been paid by the Company.

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR
FCS No. – 3198
CP No. – 1860
UDIN: F003198F000313508

DATE : May 06, 2024
PLACE : MUMBAI
PR No: 1283/2021

Annexure 'C'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

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

1. Promoting Health
2. Animal Welfare
3. Rural Development
4. Empowering Women & Skill Development
5. Promoting Education

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/ Non-Executive Director	4	4
2	Shri Manish Nuwal	Member/ Executive Director / MD & CEO	4	4
3	Shri Jagdish Belwal[1]	Member/ Non-Executive Independent Director	4	2/2 (As applicable)
4	Smt. Sujitha Karnad[2]	Member/ Non-Executive Independent Director	4	1/1 (As applicable)

Notes:-

1 Shri Jagdish Belwal appointed as a member of the CSR Committee w.e.f. August 3, 2023

2 Smt Sujitha Karnad ceased as a member of the CSR Committee w.e.f June 21, 2023

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

Link: https://bit.ly/siilCSRpolicy

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

The average CSR obligation of the Company in the past 3 years was Rs.6.46 Cr. hence, the impact assessment is not applicable to the Company.

5. (a) Average net profit of the Company as per section 135(5) : ₹ **407.39 Crore**

(b) Two percent of average net profit of the company as per section 135(5): ₹ **8.15 Crore**

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:- ₹ **8.15 Crore**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).: - ₹ **8.44 Crore**

(b) Amount spent in Administrative Overheads:- ₹ **0.01**

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:- ₹ **8.45 Crore**

(e) CSR amount spent or unspent for the financial Year 2023-2024:

Total amount Spent for the Financial Year (Rs. in Crore)	Amount Unspent (in Rs.)				
	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
Rs. 8.45 Crore	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. No	Particulars	Amount (in Crore)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 8.15
(ii)	Total amount spent for the Financial Year	₹ 8.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.30
(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)]	₹ 0.30

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

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

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

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
NIL							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For and on behalf of Corporate Social Responsibility Committee

Sd/-
Satyanarayan Nuwal
Chairman of CSR Committee

Sd/-
Manish Nuwal
Managing Director and CEO

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 minimizing carbon footprints are being continuously upgraded to consistently accomplish this goal. The Company has a distinction of having all its plants certified for ISO 14001:2015 and ISO 45001:2018 which is a culmination of our sustained efforts and our policy of protecting environment and natural resources.

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

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

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

Company has installed Solar captive power plant of 5 MW capacity & in operational since last year which contributing about 22-26% of total energy consumption, getting benefit of around 6.5 Cr/annum.

The Company has spent Rs. 20,04,745.69 as capital investment on energy conservation equipment during financial year 2023-24.

B. TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION

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

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

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

Benefits: Improved safety, Product Quality improvement, production flexibility and enhancing efficiencies. Major technological developments as below:

- IIOT based technology development & adoption to fetch all critical process data on common server/ cloud server for analysis.
- Automatic filling explosive in Booster Shells is designed & developed to meet accurate quantity in effective manner. And is under trials.
- Automatic machine for Shock tube coiling, cutting & taping in one go is developed by using robotic automation.
- Adopted energy efficient equipment as per BEE norms such as borewell/centrifugal pumps to reduce energy consumption individually by 10-20%.
- As per PESO guidelines, Track & Trace of finished goods is developed & made operative since 2nd quarter of this financial year 2023-24. This includes unique identification no on each explosive product & parent-child relation where it is produced/ packed, dispatched, sold to which customer.
- Technical team is developed & deployed in coordination with Marketing team to enhance customer satisfaction.

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 Explosives

b) Benefits derived as results of above:

- Improved Safety
- Standards and Compliance Safety in primary explosives composition development as resulted in improved Industrial safety and establishing better work environment.
- Enhanced environmental 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:

- Environment commitment: say no to oxygen depletion potential (ODP) items, replace with zero ODP.
- Power quality improvement project: such as zero leading power factor, minimizing harmonics to keep under IEEE norms.
- Vapor Absorption Machine (VAM) adoption for further energy reduction.
- Developing applications to improve blasting solutions.
- Introducing new products for different applications in the Defence Sector.
- Developing Product variants for mining segment.
- Improving Quality and Shop-floor safety of Packaged Explosives and Initiating System.
- Reduction in Wastage
- Additional Multi effect evaporator for Effluent treatment.

d) Expenditure on R&D:

(₹ in Crore)

Sr. No	Particulars	2023-24
1	Capital	1.02
2	Recurring	3.55
3	Total	4.57
4	R&D Expenditure percentage of Turnover	0.08%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Crore)

Sr. No	Particulars	2023-24
1	Earnings in Foreign Exchange	814.64
2	Outgo in Foreign Exchange	512.02

For and on behalf of the Board

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Place : Nagpur
Date : May 16, 2024

Report on Corporate Governance

1. CORPORATE GOVERNANCE FRAMEWORK:

1.1. Company's Philosophy on Corporate Governance:

Effective Corporate Governance practices lays down strong foundation for successful business. SOLAR'S philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly cemented which is reflected in our Company's business policies, practices and work culture. The practice of responsible governance has enabled our Company to achieve sustainable growth, while meeting the aspirations of its stakeholder's and societal expectations.

Core Principles of Corporate Governance

1. Fairness
2. Accountability
3. Disclosure and transparency

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 standards being practiced by your Company. Ethical business decisions, structured accountability in exercise of powers, comprehensive disclosures, adherence to best practices & established code of conduct and commitment to compliance with regulations and statutes in true letter and spirit have enabled your Company to enhance stakeholder value. In fact, this has become an integral part of the way the business is done. SOLAR is committed to protecting the environment by prioritizing sustainability. We believe that sustainability depends upon the judicious and effective use of available resources along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth. We consistently evaluate and improve operational efficiency and apply effective strategies across the facilities in order to minimize our environmental impact.

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 its stakeholders for effective implementation of the Corporate Governance practices. Your Company is cognizant of the fact that effective corporate governance is about creating long term sustainable value for its stakeholders. In its endeavor to achieve the highest standards of governance, it continues to refine its ongoing practices.

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

1.2. Corporate Governance Policies:

At SOLAR Corporate Governance is implemented through robust Board governance processes, internal control systems & processes and strong audit mechanisms. These are articulated through the Company's various governance policies, codes of conduct, charters of various Committees of the Board and the Company's disclosure and reporting practices.

SOLAR has adopted various codes and policies to function in an ethical manner. The Board of Directors, its Committees and Management periodically review and amend the codes and policies. Some of these codes and policies are as follows:

- Policy on Values and Behavior i.e. "Vyavahar Sanhita"
- Code of Conduct for Directors and Senior Management Personnel
- Code of Practices and Procedures for fair disclosures of unpublished price sensitive information
- Code of Conduct for Prohibition of Insider Trading Policy for procedure of inquiry for leak of UPSI
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Policy on Succession for the Board and Senior Management
- Policy on Performance Evaluation of Independent Directors, Board of Directors, Committees, Key Managerial Personnel.
- Vigil Mechanism and Whistle Blower Policy
- Corporate Social Responsibility Policy
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Policy on prevention of Sexual Harassment at work place
- Policy on Environment, Health and Safety
- Policy on Disclosure of Material Events
- Policy on establishment of system for Legal Documentation
- Policy on establishment of system for Litigation Management
- Policy on Preservation of Documents
- Policy on Grievance Redressal

- Policy for Dividend Distribution
- Risk Management Policy
- Information Security Policy
- Data Privacy Policy
- Anti-Bribery Policy
- Policy on Professional Standards and Business Ethics
- Anti- Corruption Policy

1.3. Corporate Governance Practices:

SOLAR strives for highest Corporate Governance Practices. The "Compliance Module" has been implemented, across the organization, which is devised to ensure compliance with all the applicable laws that impact the Company's business. Features of Compliance Module includes Real-time compliance and risk tracking, auto-generated reports and certificates, immediate updates for legal/ regulatory amendments, Comprehensive Dashboard and Role-based access. Users of Compliance module are mandated to undergo training at regular intervals.

All securities related filings with Stock Exchanges are reviewed every quarter by the Stakeholders' Relationship Committee and the Board of Directors of the Company.

1.4. Corporate Governance Structure:

Our governance structure comprises of the Board of Directors, Committees of the Board, Shareholders and the Management process. Corporate Governance is implemented through robust board governance processes, internal control systems & processes and strong audit mechanisms. These are articulated through the Company's various governance policies, codes of conduct, charters of various Committees of the Board and the Company's disclosure and reporting practices.

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:

Role of Board of Directors in the Corporate Governance:

The Board of Directors of the Company have fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management. The Board's actions and decisions are aligned with the Company's best interests.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

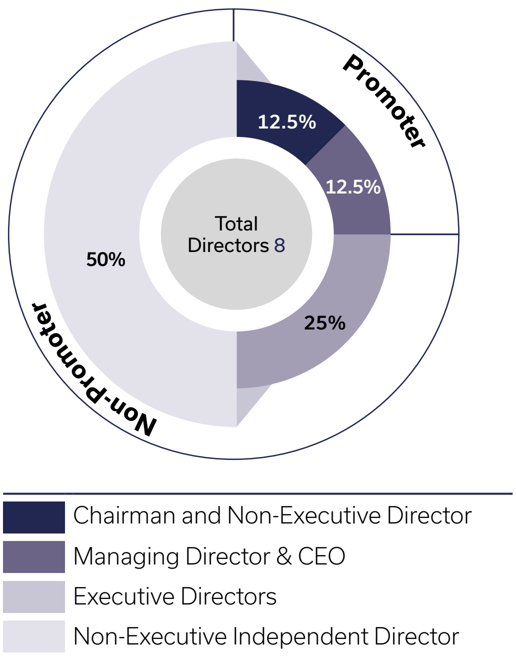
2.1 Composition of Board:

We believe that a truly diverse Board will leverage differences in thought, perspective, industry experience, cultural and geographical background, age, gender, knowledge and skills, including expertise in financial, global business, leadership, board service and governance, sales and marketing, ESG, risk management and other domains to ensure that Company retains its competitive advantage. This will ensure constructive deliberations and effective decision making at the Board.

The Board of Directors comprises of highly qualified and experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance are further nurtured.

In line with the Regulation 17 (1) of SEBI Listing Regulations 2015 and provisions of the Act, your Company's Board has an optimum combination of Executive and Non-Executive Directors.

Composition as on March 31, 2024:



The Directors take active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, governance, compliance etc.

The Board of Directors and Nomination and Remuneration Committee 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 objects of the Company.

2.2 Board Procedures and flow of information to the Board:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The meetings of the Board of Directors are pre-scheduled to facilitate them to plan their schedules and to ensure meaningful participation in the meetings.

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

The Notice setting out the detailed Agenda of Board Meeting is given well in advance to all the Directors. The Agenda and pre-reads are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. Agendas are bifurcated into items requiring approval, approval and further recommendation and items which are to be taken note of by the Board and/or are circulated for the information of the members. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings. Clarification(s)/queries, if any, on the agenda items are sought in advance and resolved before the meeting to ensure fruitful deliberations in the meeting.

The meetings of the Board are regularly held at Nagpur at the registered office of the Company. The Board members are encouraged to be present in person for the meetings of the Board, however, with the Board being represented by Independent Directors from various parts of the country, it may not be possible for all of them to be physically present at all the meetings. The Company provides video conference facility to enable their participation.

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

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

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

The presentation are then followed by review of the performance of the businesses vis-à-vis financial results, review of subsidiary's performance, review of compliance reports, fund position and investments status. The Board reviews the strategy, budgets & business plans, capital expenditure on annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations etc.

In the path of digitization and with a view to ensure high standards of confidentiality of the agenda and other Board papers and to leverage technology and eliminate paper consumption, the Company circulates the agenda and explanatory notes to the Directors/Committee members, through an electronic platform thereby ensuring high standard of security and confidentiality of Board papers.

Recording minutes of proceedings at Board and Committee Meetings:

The minutes of the proceedings of each Board and Committee meetings are recorded by the Company Secretary or any other person authorized by the Board. Draft minutes are circulated to Board/Committee members for their comments in accordance with the Secretarial Standard on Meetings of the Board of Directors ("SS – 1") issued by ICSI. Further the signed minutes are also circulated to the Board/Committee Members. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

Post meeting follow-up mechanism:

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

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

Compliance:

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

Meetings held during the year:

During the financial year 2023-24, the Board of Directors met five times i.e. May 3, 2023, August 3, 2023, November 2, 2023, November 28, 2023 and February 7, 2024.

The necessary quorum was present for all the meetings. The maximum interval gap between any two meetings did not exceed 120 days.

Flow of Information to the Board:

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

The Chairman of the Board and the Company Secretary & Compliance Officer determine the agenda for every meeting in consultation with Managing Director & CEO. While preparing the agenda, explanatory notes, minutes of the meeting(s), adherence to the Act and the Rules made thereunder, SEBI Listing Regulations, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and other applicable laws are ensured.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the SEBI Listing Regulation, 2015. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information ("UPSI"), is circulated to the Board and its Committees at a shorter notice before the commencement of the meetings. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

2.3 Independent Directors:

Separate Meetings of Independent Directors:

The separate meeting of the Independent Directors was held on March 6, 2024 as stipulated by the Code of Independent Directors under Section 149(8) read with Schedule VI of the act and Regulation 25 of SEBI Listing Regulation, 2015 to inter alia:

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.

All the Independent Directors were present the meeting and they had expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Selection and Appointment of Independent Directors:

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

In case of re-appointment of Independent Directors, the Board also takes into consideration, the performance evaluation and engagement level of the Independent Directors.

As required under Regulation 46(2)(b) of the SEBI Listing 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:

Your Company has designed a Familiarisation Programme for its Independent Directors which is imparted at the time of appointment of Independent Director.

The Independent Director 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 of Women at Workplace and Corporate Social Responsibility policy.

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

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

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

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

Declarations by Independent Directors:

Independent Directors are the Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulation, 2015 read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulation, 2015 they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The maximum tenure of Independent Directors is in compliance with the Act and the SEBI Listing Regulations, 2015. 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 Section 149 (7) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulation, 2015 and that they are independent of the management. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors.

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

Based on the intimations/disclosures received from the Directors periodically, none of the Director is a Director in more than 10 public limited Companies (as specified in Section 165 of the Act) and Director in more than 7 listed entities (as specified in Regulation 17A of the SEBI Listing Regulation, 2015 or acts as an Independent Director (including any alternate directorships) in more than 7 listed Companies or 3 equity listed Companies in case he/she serves as a Whole-time Director/Managing Director in any listed company (as specified in Regulation 17A of the SEBI Listing Regulation, 2015. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the SEBI Listing Regulation, 2015, across all the Indian public limited Companies in which he/she is a Director.

Appointment:

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

a) Appointment of Smt. Rashmi Prasad (DIN: 10329445) as an Additional Director (Non-Executive Women Independent Director) of the Company, not liable to retire by rotation for a period of Two (2) consecutive years commencing from September 21, 2023 through Circular Resolution dated September 21, 2023, subject to approval of Members of the Company through Special Resolution on or before December 20, 2023.

   In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 2, 2023 seeking the approval of Members of the Company by way of Special Resolution for appointment of Smt. Rashmi Prasad (DIN: 10329445) as an Women Independent Director of the Company.

   The Special Resolution as contained in the Notice of Postal Ballot dated November 2, 2023 failed to get the requisite majority.

   However, Pursuant to sub-regulation 2A of Regulation 25 of SEBI Listing Regulations, 2015, where a special resolution for the appointment of an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an Independent Director shall be deemed to have been made under sub-regulation (2A).

   In light of the above, Smt. Rashmi prasad (DIN: 10329445) shall be deemed to be appointed as a Women Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations, 2015.

b) Shri Dinesh Kumar Batra (DIN: 08773363) was appointed as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Two (2) consecutive years commencing from April 1, 2024 through Circular Resolution dated March 28, 2024, subject to approval of Members of the Company through Special Resolution on or before June 30, 2024.

Cessation:

a) Smt. Sujitha Karnad (DIN: 07787485) ceased to be the Non-Executive Independent Director of the Company with effect from June 21, 2023. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their meeting dated June 21, 2023.

b) Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director of the Company has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.

Governance Code:

Conflict of Interests:

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

Details of Directors and their attendance records for the Board Meetings and Annual General Meeting held during the Financial Year 2023-24:

Sr. No.	Name of the Director	Director Identification Number	Category	Attendance		
				Board Meeting	%	Last AGM
1.	Shri Satyanarayan Nuwal	00713547	Chairman and Non-Executive Director	5/5	100%	Present
2.	Shri Manish Nuwal	00164388	Managing Director and CEO	5/5	100%	Present
3.	Shri Suresh Menon	07104090	Executive Director	5/5	100%	Present
4.	Shri Milind Deshmukh	09256690	Executive Director	5/5	100%	Present
5.	Shri Natrajan Ramkrishna	06597041	Non-Executive Independent Director	5/5	100%	Present
6.	Shri Jagdish Chandra Belwal	08644877	Non-Executive Independent Director	5/5	100%	Absent
7.	Smt. Rashmi Prasad[1]	10329445	Non-Executive Independent Director	3/3	100%	Not applicable
8.	Smt. Sujitha Karnad[2]	07787485	Non-Executive Independent Director	1/1	100%	Present
9.	Shri Amrendra Verma[3]	00236108	Non-Executive Independent Director	5/5	100%	Present

Notes:

1. Appointed with effect from September 21, 2023.
2. Smt. Sujitha Karnad ceased to be the Non-Executive Independent Director of the Company with effect from June 21, 2023. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their meeting dated June 21, 2023.
3. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
4. Shri Dinesh Kumar Batra (DIN: 08773363) was appointed as an Additional Director (Non-Executive Independent Director) with effect from April 1, 2024.
5. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company with effect from November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

2.4 Confirmation from the Board:

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

2.5 Profile of Board of Directors:

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

Directorships and Memberships of Board and Committees as on March 31, 2024:

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (including SIIL)	Chairmanship in committees of Board (including SIIL)	Membership in committees of Board (including SIIL)
1.	Shri Satyanarayan Nuwal	Chairman and Non-Executive Director	2	-	-
2.	Shri Manish Nuwal	Managing Director and CEO	5	-	3
3.	Shri Suresh Menon	Executive Director	4	-	1
4.	Shri Milind Deshmukh	Executive Director	2	-	-
5.	Shri Natrajan Ramkrishna	Non-Executive Independent Director	6	2	2
6.	Shri Jagdish Chandra Belwal	Non-Executive Independent Director	1	-	1
7.	Smt. Rashmi Prasad[1]	Non-Executive Independent Director	1	-	-
8.	Shri Amrendra Verma[2]	Non-Executive Independent Director	4	3	2

Notes:

1. Appointed with effect from September 21, 2023.
2. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
3. Smt. Sujitha Karnad ceased to be the Non-Executive Independent Director of the Company with effect from June 21, 2023. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their meeting dated June 21, 2023.
4. Shri Dinesh Kumar Batra (DIN: 08773363) was appointed as an Additional Director (Non-Executive Independent Director) with effect from April 1, 2024.
5. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company with effect from November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.
6. Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies and Foreign Companies.
7. Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Relationship Committee.
8. 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, 2024.

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

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

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

Global Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Corporate Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Corporate Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.

Behavioural values	Personal Characteristics matching the Company's values, such as integrity, accountability and high performance standards.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.

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

Sr. No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
1	Shri Satyanarayan Nuwal	A first generation entrepreneur with expertise in Business Management and Corporate Planning.	-
2	Shri Manish Nuwal	A second generation entrepreneur and an industrialist with a stupendous financial and management skills. Strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	-
3	Shri Suresh Menon	A deep understanding of Explosives market (both at Domestic and global markets).	-
4	Shri Milind Deshmukh	Deep understanding of Global business dynamics, across various geographical markets and regulatory jurisdictions.	-
5	Shri Natrajan Ramkrishna	He has an experience of over forty years in the accounting profession focusing mainly on Generally Accepted Accounting Principles (GAAP), IFRS, IndAS and Auditing.	1. Stove Kraft Limited (Non-Executive Independent Director)
6	Shri Jagdish Chandra Belwal	He is a transformational CIO turned entrepreneur. He has led technology anchored business transformations in large organisations.	-
7	Smt. Rashmi Prasad	She has an experience of over thirty seven years with expertise in Banking, Crisis Management, Training & Policy making.	1. Som Distilleries & Breweries Limited (Non-Executive Independent Director)
8	Shri Dinesh Kumar Batra	He has a rich experience of over 38 years in various facets of Management like Marketing, Finance, Accounts, Corporate Governance and Risk Management etc. At the time of superannuation in October 2022, he was acting as a Chairman & Managing Director of Bharat Electronics Limited.	-

Notes:

1. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
2. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company with effect from November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

2.7 Disclosure of relationship between Directors inter-se:

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director is father of Shri Manish Nuwal, Managing Director and CEO of the Company. Other than Shri Satyanarayan Nuwal and Shri Manish Nuwal none of the Directors of the Company are related to any other Director of the Company.

Note:

As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company with effect from November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal holds 20882963 equity shares in the Company.

2.8 Number of shares and Non-Convertible Instruments held by Non-Executive Director:

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director of the Company, holds 3238254 shares in the Company. Except Shri Satyanarayan Nuwal none of the Non-Executive Directors holds any shares in the Company. The Company has not issued any convertible instruments, hence no such instruments are being held by Non-Executive Directors.

2.9 Directors Shareholding as on March 31, 2024:

Sr. No.	Name of Directors	No. of Equity Shares held	% to the paid up share capital of the Company
1.	Shri Satyanarayan Nuwal	3238254	3.58%
2.	Shri Manish Nuwal	35232069	38.93%
3.	Shri Suresh Menon	Nil	0.00%
4.	Shri Milind Deshmukh	Nil	0.00%

Notes:

1. During the financial year ended March 31, 2024, no equity shares were held by the Independent Directors of the Company.
2. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company with effect from November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal holds 20882963 equity shares in the Company.

2.10 Code of Conduct for Board Members and Senior Management:

The Board of Directors laid down a Code of Conduct for all the Board members and senior management of the Company. This code has been posted on the website 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 Code of Conduct for Employees:

The Company has adopted Professional Standards & Business Ethics Policy for Employees which provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all, and to avoid practices like bribery, corruption and anti-competitive practices.

Employees are mandated to undergo video based training modules and case studies embodying real-life examples upon joining the organisation as a part of their induction.

2.12 Performance Evaluation:

In terms of the requirements of the Act and the SEBI Listing Regulation, 2015, the Board is required to monitor and review the Board evaluation framework. The Company has a structured assessment process for evaluation of performance of the Board, its Committees and individual performance of each Director including the Chairman of the Board. 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 Officers, Company Secretary as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility 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.

Synopsis of outcome of evaluations for the financial year 2023-24:

As an outcome of the performance evaluation, the Board noted the following:

1. The Board as a whole is functioning effectively and has the required skill sets to govern the Company.
2. Sufficient numbers Board meetings of appropriate length are conducted in a manner that encourages open communication, meaningful participation and proper consideration of issues.

3. Agendas are circulated well before the Board/ Committee(s) Meeting along with all the relevant information to take decision on the respective matter.

4. Board of Directors is effective in developing a Corporate Governance structure that allow and encourages the Board to fulfil its responsibilities and also enable clear and transparent process of disclosure and communication.

5. The Committees has fulfilled its roles and responsibilities as specified under Charter and applicable laws.

The Board evaluation is carried out in a confidential manner through questionnaire having qualitative parameters and feedback based on ratings. The Directors expressed their satisfaction with the evaluation process.

3. SECOND LAYER COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees play a vital role in ensuring sound corporate governance practices. The Committees are constituted to handle specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, 2015 as applicable.

During the year, all the recommendations made by the respective Committees were accepted by the Board. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and placed before the Board meetings for noting. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board Committees request special invitees to join the meeting, as and when appropriate.

The Company has Seven Board-level Committees, namely:

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

3.1 Audit Committee:

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations 2015, 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:

Sr. No.	Terms of Reference	Frequency
1.	Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.	**A**
2.	Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval with particular reference to:	**A**
	a. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.	**A**
	b. Changes, if any, in accounting policies and practices and reasons for the same.	**A**
	c. Major accounting entries involving estimates based on the exercise of judgment by the Management.	**A**
	d. Significant adjustments made in financial statements arising out of audit findings.	**A**
	e. Compliance with listing and other legal requirements relating to financial statements.	**Q**
	f. Disclosure of related party transactions.	**Q**
	g. Modified opinion in draft audit report.	**A**
3.	Reviewing with the management, the quarterly financial statements before submission to the Board for approval.	**Q**
4.	Approval or any subsequent modification of transactions of the Company with related parties.	**P**
5.	Evaluation of internal financial controls and risk management systems.	**A**
6.	Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.	**A/P**

Sr. No.	Terms of Reference	Frequency
7.	Approval of payment to statutory auditors for any other services rendered by the statutory auditors.	P
8.	Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.	Q
9.	Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.	P
10.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.	Q/P
11.	Scrutiny of inter-corporate loans and investments.	Q
12.	To review the functioning of the Whistle Blower mechanism.	P
13.	Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.	A
14.	Approval of appointment of the CFO after assessing qualifications, experience and background of the candidate.	E
15.	Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors	E

Frequency:

A Annually **Q** Quarterly **P** Periodically **E** Event-based

During the year under review the Company has reviewed and amended the Charter of Audit Committee. The detailed terms of reference is available on the website of the Company at www.solargroup.com.

M/s Protiviti India Member Private Limited represented by Shri Sachin Maloo, Managing Director, performed the Internal Audit function of the Company for the financial year 2023-24.

B. Meetings during the year:

The Audit Committee met four times during the year under review. The Committee meetings were held on May 3, 2023, August 3, 2023, November 2, 2023 and February 7, 2024. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Audit Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% of Attendance at the Meeting
1.	Shri Amrendra Verma[1]	Chairman	Non-Executive Independent Director	4/4	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Shri Natrajan Ramkrishna[2]	Member	Non-Executive Independent Director	4/4	100%
4.	Shri Jagdish Chandra Belwal[3]	Member	Non-Executive Independent Director	2/2	100%
5.	Smt. Sujitha Karnad[4]	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
2. Appointed as a Chairman with effect from April 1, 2024.
3. Appointed with effect from August 3, 2023.
4. Ceased with effect from June 21, 2023.
5. Smt. Rashmi Prasad (DIN: 10329445) was appointed as a Member with effect from April 1, 2024.

The Committee meets quarterly for consideration of financial results, review and approval of related party transactions along with other agenda items.

The Chairman of the Audit Committee Shri Amrendra Verma was present at the 28th Annual General Meeting of the Company held on June 21, 2023.

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

The Members of the Audit Committee are financially literate and have relevant experience in financial management.

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

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 Regulations, 2015 read with Section 178 of the Act.

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

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

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

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	Identifying and evaluating potential candidate for balanced composition of the Board and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Senior Management.	P
2.	Determining the composition of the Board of Directors and the sub-committees of the board.	P/E
3.	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; 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.	A
4.	Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key managerial personnel and other employees.	P
5.	Devising a policy on diversity of Board of Directors.	P
6.	To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.	A
7.	Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.	A
8.	To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.	P
9.	To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.	P
10.	To develop a succession plan for the Board and to regularly review the plan.	P
11.	To Implement and monitor policies and processes regarding principles of Corporate Governance.	P
12.	Undertake any other matters as the Board may decide from time to time.	E

Frequency:

A **Annually** **P** **Periodically** **E** **Event-based**

During the year under review the Company has reviewed and amended the Charter of Nomination and Remuneration Committee and Nomination and Remuneration Policy. The detailed terms of reference and Nomination and Remuneration Policy are available on the website of the Company at www.solargroup.com.

B. Meetings during the year:

The Nomination and Remuneration Committee met three times during the year under review. The Committee meetings were held on May 2, 2023, August 3, 2023 and November 2, 2023. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Nomination and Remuneration Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% of Attendance at the Meeting
1.	Shri Amrendra Verma[1]	Chairman	Non-Executive Independent Director	3/3	100%
2.	Shri Natrajan Ramkrishna[2]	Member	Non-Executive Independent Director	3/3	100%
3.	Shri Jagdish Chandra Belwal[3]	Member	Non-Executive Independent Director	1/1	100%
4.	Smt. Sujitha Karnad[4]	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
2. Appointed as a chairman with effect from April 1, 2024.
3. Appointed with effect from August 3, 2023.
4. Ceased with effect from June 21, 2023.
5. Shri Dinesh Kumar Batra (DIN: 08773363) was appointed as a Member with effect from April 1, 2024.

The Chairman of the Nomination and Remuneration Committee Shri Amrendra Verma was present at the 28th Annual General Meeting of the Company.

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

D. Remuneration Policy:

1. Remuneration to Executive Directors:

The appointment and remuneration of all the Executive Directors of the Company is governed by the recommendation of Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of all the Executive Directors comprises of salary, perquisites and allowances, and contributions to Provident fund 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 of Directors for approval thereof.

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee has approved the "Solar group long term incentive plan 2023" with the twin objectives of driving performance and retaining its key employees/management team.

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 financial year 2023-24 is as below:

(₹ in Crore)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
1.	Shri Manish Nuwal Managing Director & CEO	4.80	13.50	0.07	As per policies and rules of the Company	-	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	N.A.

(₹ in Crore)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
2.	Shri Suresh Menon Executive Director	0.93	-	0.01	As per policies and rules of the Company	-	0.25 (Performance linked incentives is based on the "Solar group long term incentive plan 2023" 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	N.A.
3.	Shri Milind Deshmukh Executive Director	0.96	-	0.01	As per policies and rules of the Company	-	0.25 (Performance linked incentives is based on the "Solar group long term incentive plan 2023" 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	N.A.

F. Non-Executive/ Independent Directors Remuneration:

1. The Chairman of the Company is a Non-Executive Director.
2. There were no pecuniary transactions with any Non- Executive Independent Director of the Company.
3. The criteria for making payment to Non-Executive Independent Directors is available on the website of the Company i.e. www.solargroup.com.
4. The Non-Executive Independent Directors were only paid sitting fees for attending Board and Committee Meetings for the financial year 2023-24. None of the Non-Executive Independent Directors held any shares in the Company.
5. No Remuneration was paid to Shri Satyanarayan Nuwal, under the Designation, Chairman & Non-Executive Director of the Company.
6. No stock options were issued by the Company during the year under review.
7. The sitting fees (Remuneration) paid to Non-Executive Independent Directors during the financial year 2023-24 is as below:

Remuneration paid to Non-Executive Directors during the financial year 2023-24:

Sr. No.	Non-Executive Directors	Sitting Fees (Amount in ₹)
1.	Shri Natrajan Ramkrishna	11,20,000
2.	Shri Jagdish Chandra Belwal	8,10,000
3.	Smt. Rashmi Prasad[1]	3,00,000
4.	Smt. Sujitha Karnad[2]	3,40,000
5.	Shri Amrendra Verma[3]	13,70,000

Notes:

1. Appointed with effect from September 21, 2023.
2. Smt. Sujita Karnad (DIN: 07787485) ceased to be the Non-Executive Independent Director of the Company with effect from June 21, 2023. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their meeting dated June 21, 2023.
3. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
4. The above figures are inclusive of fees paid for attendance of Committee Meetings.

G. Succession planning:

At SOLAR, "It's not about having people...it's about having the right people, in the right place, at the right time." The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointment to the Board and to Senior management positions.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. In addition, promoting Senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

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 Regulations, 2015 read with Section 178 of the Act.

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. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	To monitor and review any investor grievances received by the Company through SEBI, BSE, NSE or 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.	Q
2.	To review compliance relating to all securities including dividend payments, transfer of unclaimed amounts or shares to the Investor Education and Protection Fund.	P
3.	To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.	P
4.	Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.	P
5.	Perform such other functions as may be necessary or appropriate for the performance of its duties such as :-	
6.	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.	Q
	b. Review of measures taken for effective exercise of voting rights by shareholders	P
	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.	P
	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.	P
7.	To perform such other functions or duties as may be required under the relevant provisions of SEBI Listing Regulations, 2015 and the Act read with rules made thereunder and matters as may be specifically delegated to the Committee by the Board from time to time.	E

Frequency:

Q Quarterly **P** Periodically **E** Event-based

During the year under review the Company has reviewed and amended the Charter of Stakeholder Relationship Committee. The detailed terms of reference is available on the website of the Company at www.solargroup.com.

B. Meetings during the Year:

The Stakeholders Relationship Committee met four times during the year under review. The Committee meetings were held May 2, 2023, August 3, 2023, November 2, 2023, and February 7, 2024. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Stakeholders Relationship Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% of Attendance at the Meeting
1.	Shri Amrendra Verma[1]	Chairman	Non-Executive Independent Director	4/4	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Shri Suresh Menon	Member	Executive Director	4/4	100%

Notes:

1. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
2. Shri Jagdish Chandra Belwal (DIN: 08644877) was appointed as a Chairman and Member with effect from April 1, 2024.

The Chairman of the Stakeholders Relationship Committee Shri Amrendra Verma was present at the 28th Annual General Meeting of the Company.

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

A. Nature of Complaints and Redressal Status as on March 31, 2024:

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the financial year 2023-24	1*
Number of Complaints received during the financial year 2023-24	0
Number of Complaints redressed during the financial year 2023-24	0
Complaints pending at the end of the financial year 2023-24	1

*Mr. Kailashchandra Nuwal & others had instituted proceedings by way of captioned Company petition, before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") under Section 241-242 of the Companies Act, 2013. In the said petition they had also sought certain interim reliefs.

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

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

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

Solar Industries India Ltd. had filed an appeal against the order of the Hon'ble NCLT dated February 09, 2021 ("Impugned Order") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 22, 2021.

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

On December 14, 2021, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") pronounced its final order ("Impugned Order"), in the Appeal No. 29/2021 filed by Solar Industries India Limited ("the Company") against the order dated February 9, 2021 passed by the Hon'ble National Company Law Tribunal ("NCLT") in IA No. 1054/ MB/2020 filed in CP. 1069/ MB/2020. By way of this Impugned Order, the Hon'ble NCLAT had dismissed the appeal filed by the Company.

The Company had filed Civil Appeal no. 182/2022, against the Impugned Order of the Hon'ble NCLAT before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court virtually on January 10, 2022. After considering the submissions of the parties, the Hon'ble Supreme Court has passed an interim order as follows;

"Meanwhile, considering the facts and circumstances of this case, it is directed that the operation of the impugned orders of NCLT dated February 9, 2021 and NCLAT dated December 14, 2021 shall remain stayed till the next date of hearing."

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

4.4 Corporate Social Responsibility Committee:

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

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

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.

A. Extract of Terms of Reference :

Sr. No.	Terms of Reference	Frequency
1.	The Committee shall review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.	P
2.	The Committee shall 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.	P
3.	The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.	P
4.	The Committee shall look into significant sustainability (ESG) related policies, strategies and activities of the Company in a manner that integrates environmental, social and ethical principles with the conduct of business.	P
5.	The Committee shall provide vision and guidance to the Management to ensure that all long-term business proposals made to the Board are assessed through the lens of social, Environment, Safety, Health, and reputational implications – including governance and associated risks and opportunities.	P
6.	The Committee shall formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time. The Committee shall recommend the CSR annual action plan and any modification(s) thereto during the financial year, for the approval of the Board from time to time.	A
7.	Where the Company spends an amount in excess of its prescribed CSR expenditure during a financial year, the Committee may make a recommendation to the Board for setting off the excess amount spent against CSR spend of the financial year(s) following the year of excess spend.	A

Frequency:

A Annually   **P** Periodically

During the year under review the Company has reviewed and amended the Charter of Corporate Social Responsibility Committee and Corporate Social Responsibility Policy. The detailed terms of reference and Corporate Social Responsibility Policy are available on the website of the Company at www.solargroup.com.

Meetings during the Year:

The Corporate Social Responsibility Committee met four times during the year under review. The Committee meetings were held on May 2, 2023, August 3, 2023, November 2, 2023 and February 7, 2024. The necessary quorum was present for all the meetings.

Composition and Attendance of Corporate Social Responsibility Committee as on March 31, 2024 :

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% of Attendance at the Meeting
1.	Shri Satyanarayan Nuwal	Chairman	Chairman and Non-Executive Director	4/4	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Shri Jagdish Chandra Belwal[1]	Member	Non-Executive Independent Director	2/2	100%
4.	Smt. Sujitha Karnad[2]	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Appointed with effect from August 3, 2023.
2. Ceased with effect from June 21, 2023.

The Chairman of the Corporate Social Responsibility Committee Shri Satyanarayan Nuwal was present at the 28th Annual General Meeting of the Company.

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the Committee.

4.5 Risk Management Committee

The Committee is constituted with an objective to assist the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance and control financials have been identified, assessed and adequate risks mitigation control are in place.

The Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing 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.

Solar's risk assessment matrix is used as the benchmark in planning and implementing the risk management measures. It takes into consideration the nature, scale and complexity of the business.

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

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the committee.

A. Extracts of Terms of reference:

Sr. No.	Terms of Reference	Frequency
1.	To formulate a detailed risk management policy which shall include:	
	a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.	**P**
	b. Measures for risk mitigation including systems and processes for internal control of identified risks.	**Q**
	c. Business continuity plan.	**P**
2.	To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.	**Q**
3.	To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.	**P**
4.	To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.	**P**
5.	To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.	**A**
6.	Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.	**P**
7.	Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.	**P**
8.	Nurture a healthy and independent risk management function in the Company.	**P**
9.	Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.	**E**

Frequency:

A Annually   **Q** Quarterly   **P** Periodically   **E** Event-based

During the year under review the Company has amended the Risk Management Policy. The Policy is available at its website at www.solargroup.com.

B. Meetings during the Year:

The Risk Management Committee met twice during the year under review. The Committee meetings were held on May 2, 2023 and October 27, 2023.The necessary quorum was present for all the meetings.

C. Composition and Attendance of Risk Management Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Designation	Number of meetings attended	% of Attendance at the Meeting
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	1/2	50%
2.	Shri Suresh Menon	Member	Executive Director	2/2	100%
3.	Shri Milind Deshmukh	Member	Executive Director	2/2	100%
4.	Shri Natrajan Ramkrishna	Member	Non-Executive Independent Director	1/2	50%
5.	Shri Jagdish Chandra Bewal[1]	Member	Non-Executive Independent Director	0/1	-
6.	Shri Moneesh Agrawal	Member	Joint Chief Financial officer	2/2	100%
7.	Smt. Shalinee Mandhana	Member	Joint Chief Financial officer	2/2	100%
8.	Shri Sanjay Singh	Member	Senior General Manager-Safety	2/2	100%
9.	Shri Kedar Ambikar[2]	Member	General Manager-Corporate HR	2/2	100%
10.	Smt. Sujitha Karnad[3]	Member	Non-Executive Independent Director	1/1	100%
11.	Shri Prashant Joshi[4]	Member	Senior General Manager- IT	2/2	100%
12.	Shri Laxman Rathod[5]	Member	General Manager- IT	1/1	100%
13.	Shri Amrendra Verma[6]	Member	Non-Executive Independent Director	2/2	100%

Notes:

1. Appointed with effect from August 3, 2023.
2. Stepped down with effect from March 30, 2024.
3. Ceased with effect from June 21, 2023.
4. Stepped down with effect from October 27, 2023.
5. Appointed with effect from October 27, 2023 & stepped down with effect from January 25, 2024.
6. Shri Amrendra Verma (DIN: 00236108), Non-Executive Independent Director has completed his second term on March 31, 2024 and accordingly ceased to be a Independent Director of the Company with effect from April 1, 2024.
7. Smt. Rashmi Prasad (DIN: 10329445) was appointed as a member with effect from April 1, 2024.

The Chairman of the Risk Management Committee Shri Manish Nuwal, was present at the 28th Annual General Meeting of the Company.

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the committee.

4.6 Executive Committee:

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

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

A. Extract of Terms of reference:

Sr. No.	Terms of Reference	Frequency
1.	Reviewing strategic and operational plan of the Company and advising on its execution to the Management and Executives.	**P**
2.	Advising the management and executives on implementing the Company's laid down policies and ensuring that those policies are strictly adhered.	**P**
3.	Review the Company's financial policies, risk assessment and mitigation plans, capital strategies and structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable.	**P**

Sr. No.	Terms of Reference	Frequency
4.	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.	P
5.	To oversee the adequacy and effectiveness of policies and programs in order to ensure the Company's compliance with laws and regulations applicable to business.	P
6.	Overseeing that the human resources are efficiently and effectively managed and monitoring all activities with feedback contributing to the continuous improvement in governance.	P
7.	Ensure compliance with applicable pollution and environmental laws at the Company's works / factories / locations by putting in place effective systems in this regard and review the same periodically.	P
8.	Guiding the management and executives whenever required on day to day administration.	P

Frequency:

P **Periodically**

B. Meetings during the Year:

The Committee met 20 times during the year under review.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Executive Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Designation	Number of meetings attended	% of Attendance at the Meeting
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	18/20	90%
2.	Shri Suresh Menon	Member	Executive Director	17/20	85%
3.	Shri Milind Deshmukh	Member	Executive Director	16/20	80%

The Chairman of the Executive Committee Shri Manish Nuwal, was present at the 28th Annual General Meeting of the Company.

4.7 Investment Committee:

During the year under review, the Investment Committee was constituted, with an objective to evaluate and scrutinize the significant investments/funding opportunities including but not limited to business acquisitions, reviewing and monitoring existing investments in subsidiaries, joint ventures and other companies and making necessary recommendations to the Board from time to time including disinvestments.

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

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	To evaluate, scrutinize and consider the strategic and/or long-term investments, loans, guarantees, acquisitions or divestments by the Company in other legal entity as per the specified threshold approved by the Board.	P
2.	To evaluate, scrutinize and consider the strategic and/or long-term investments, loans, guarantees, acquisitions or divestments by any of Solar's subsidiaries in any legal entity outside Solar Group as per specific threshold approved by the Board.	P
3.	To conduct post investment evaluation of investment projects.	P
4.	To review on the implementation and progress of projects.	P
5.	Monitoring short term and long-term strategic priorities of the Company.	P
6.	Approve entry into new industries (greenfield, acquisition of majority stake or path to majority).	P

Frequency:

P **Periodically**

B. Meetings during the year:

The Investment Committee met twice during the year under review. The Committee meetings were held on November 29, 2023 and January 29, 2024.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Investment Committee as on March 31, 2024:

Sr. No.	Name of Member(s)	Nature of Membership	Designation	Number of Meetings attended	% of Attendance at the Meeting
1	Shri Manish Nuwal	Chairman	Managing Director and CEO	2/2	100%
2.	Shri Suresh Menon	Member	Executive Director	1/2	50%
3.	Shri Milind Deshmukh	Member	Executive Director	1/2	50%
Non-Voting and Advisory Members					
4.	Smt. Shalinee Mandhana	Member	Joint Chief Financial Officer	2/2	100%
5.	Smt. Khushboo Pasari	Member	Company Secretary & Compliance Officer	2/2	100%

5. COMMITTEE MINUTES:

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

6. COMPLIANCE OFFICER:

Smt. Khushboo Pasari acts as a Company Secretary and Compliance Officer of the Company.

7. PARTICULARS OF SENIOR MANAGEMENT AND CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR IS AS UNDER:

The senior management of the Company comprises of the following:

Name of Senior Management Personnel (SMP)	Designation	Changes if any, during the financial year 2023-24 (Yes / No)	Nature of change and Effective date
Shri Manish Nuwal	Managing Director & CEO	No	N.A.
Shri Suresh Menon	Executive Director	No	N.A.
Shri Milind Deshmukh	Executive Director	No	N.A.
Shri Moneesh Agrawal	Joint Chief Finance Officer	No	N.A.
Shri Shalinee Mandhana	Joint Chief Finance Officer	No	N.A.
Shri Khushboo Pasari	Company Secretary & Compliance Officer	No	N.A.
Shri Ashish Kumar Srivastava	Senior General Manager	No	N.A.
Shri Manoj Kumar Singh	Senior General Manager	No	N.A.
Shri Purushottam Pundlikrao Deotare	Senior General Manager	No	N.A.
Shri Avinash Kumar Gupta	Senior General Manager	No	N.A.
Shri Manoj Kumar Lalwani	Senior General Manager	No	N.A.
Shri Rajesh Jitendra Shrivastava	General Manager	No	N.A.
Shri Sanjeev Parekh	General Manager	No	N.A.
Shri Kedar Ambikar	General Manager	Yes	Resigned with effect from March 30, 2024
Shri Hemant Tepale	General Manager	No	N.A.

8. THIRD LAYER GOVERNANCE BY SHAREHOLDERS:

a) General Meetings:

Details of last three Annual General Meetings (AGMs) of the Company and summary of Special Resolution(s) are as under:

Financial Year(s)	No. of Meeting	Date & Time	Venue	Special Resolution(s) failed to get the requisite majority
2022-2023	28th AGM	June 21, 2023 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road Nagpur-440023	1. Re-appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company. 2. Alteration of Articles of Association of the Company. 3. Increase in limits of Borrowings under Section 180 (1) (c) of the Companies Act 2013. 4. Increase in limits of providing Security under Section 180 (1) (a) of the Companies Act 2013 in connection with the borrowing of the Company.
2021-2022	27th AGM	June 10, 2022 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road Nagpur-440023	1. Increase in limits of Borrowings under Section 180 (1) (c) of the Companies Act 2013. 2. Increase in limits of providing Security under Section 180 (1) (a) of the Companies Act 2013. 3. Appointment Shri Sanjay Sinha (DIN: 8253225) as a Non- Executive Independent Director of the Company.
2020-2021	26th AGM	August 31, 2021 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. Deemed venue at "Solar" House 14, Kachimet, Amravati Road Nagpur - 440023	No Special Resolution was proposed in 26th AGM of the Company.

b) Whether Special resolutions were put through Postal Ballot last year? Yes

The Company has sought the approval of Shareholders through Postal Ballot Notice dated November 2, 2023 for the following Special Resolution:

i) Appointment of Smt. Rashmi Prasad (DIN: 10329445) as a Women Independent Director of the Company. The details of the Voting on the resolution as per Scrutinizer's Report is as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
	Total	**6,61,91,271**	**6,61,91,271**	**100%**	**3,97,14,763**	**2,64,76,508**	**60.00%**	**40.00%**
Public- Institutions	Remote E-Voting	2,00,37,036	1,87,83,593	93.74 %	1,87,83,593	0	100%	0.00%
	Total	**2,00,37,036**	**1,87,83,593**	**93.74 %**	**1,87,83,593**	**0**	**100%**	**0.00%**
Public- Non Institutions	Remote E-Voting	42,61,748	11,71,699	27.49 %	11,71,404	295	99.98 %	0.02%
	Total	**42,61,748**	**11,71,699**	**27.49 %**	**11,71,404**	**295**	**99.98 %**	**0.02%**
Total		**9,04,90,055**	**8,61,46,563**	**95.20 %**	**5,96,69,760**	**2,64,76,803**	**69.27 %**	**30.73 %**

Note 1:

Pursuant to sub-regulation 2A of Regulation 25 of SEBI Listing Regulations, 2015, where a special resolution for the appointment of an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an Independent Director shall be deemed to have been made under sub-regulation (2A).

In light of the above, Smt. Rashmi Prasad (DIN: 10329445) shall be deemed to be appointed as a Woman Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations, 2015.

c) Procedure for Postal Ballot:

i. The Board of Directors of the Company at its Meeting held on November 2, 2023 approved the proposal to conduct Postal Ballot by remote e-voting process pursuant to Section 110 of the Companies Act, 2013, Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014.

ii. Shri Manish Nuwal, Managing Director & CEO, was authorised to receive and countersign the Scrutinizer's Report and declare the voting results of the Postal Ballot on behalf of the Company.

iii. The Company engaged the services of National Securities Depository Limited for providing Remote E-voting facility to the Members.

iv. Shri Tushar Pahade, Proprietor at M/s T. S Pahade & Associates Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot through remote e-Voting in a fair and transparent manner.

v. The Postal Ballot Notice along with explanatory statement was sent only through e-mail on November 10, 2023 to those Members whose name(s) appeared on the Register of Members/ list of Beneficial Owners as on the Cut-off Date i.e. Friday, November 3, 2023.

vi. Based on the analysis of the votes received, the Scrutiniser submitted his Report dated December 13, 2023 to Shri Manish Nuwal, Managing Director & CEO of the Company.

vii. The Voting Results and Scrutiniser's Report was submitted to the Stock Exchanges and uploaded on the website of the Company on December 13, 2023.

d) Are Special resolutions proposed to be put through Postal Ballot this Year? Yes

The Board of Directors of the Company at their Meeting dated May 16, 2024 approved the Notice of Postal Ballot seeking consent of the Members of the Company for appointment of Shri Dinesh Kumar Batra (DIN: 08773363) as a Non-Executive Independent Director of the Company with effect from April 01, 2024.

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

9. MEANS OF COMMUNICATION:

The Company promptly discloses information on material corporate developments and other events as required under the SEBI Listing Regulations, 2015. Such timely disclosures indicate the good Corporate Governance practices of Company. For this purpose there are multiple channels of communication.

9.1 Publication of Financial Results:

The Financial Results of the Company are published in accordance with the requirements of the SEBI Listing Regulations, 2015. The Company's Quarterly, Half-yearly and Annual Financial results are published in leading newspapers such as, Business Standards (All Editions) and Loksatta (Nagpur Edition).

9.2 Website and News Releases:

In compliance with Regulation 46 of the SEBI Listing Regulations, 2015 a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of the Listing Regulations on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half-yearly/Nine-months and Annual financial results along with the applicable policies of the Company.

The official news releases along with quarterly results are generally sent to Stock Exchanges and available on the Company's website i.e. www.solargroup.com.

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

9.3 Earning conference calls and presentations to Institutional Investors / Analysts:

During the financial year 2023-24, detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results after declaration of financial results and are sent to the Stock Exchanges. These calls are attended by the Managing Director & CEO, Chief Financial Officers, Company Secretary & Compliance officer and representative of Finance Department.

These presentations, video recordings and transcript of the meetings are available on the website of the Company. No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.

9.4 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, Registrar and Share transfer Agents and Debenture Trustees.

9.5 Annual Report:

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

9.6 Chairman's Communique:

A copy of the speech to be given by the Chairman at the AGM will be uploaded on the website of the Company i.e. www.solargroup.com.

9.7 Designated exclusive email-id and other communication channels for investors:

The Company addressed various investor-centric letters / e-mails / SMS to its Shareholders during the year. This include reminders for claiming unclaimed/ unpaid dividend from the Company; claiming shares lying in unclaimed suspense account with the Company; e-voting, updating e-mail, PAN and bank account details.

The Company has designated the email-id exclusively for investor servicing i.e. investor.relations@solargroup.com and the same is primarily used.

9.8 Stock Exchange:

The Board of Directors has approved a Policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges.

The Managing Director & CEO, Joint Chief Financial Officers and Company Secretary & Compliance officer are empowered to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges.

9.9 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.

9.10 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.

9.11 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.

9.12 Online Dispute Resolution (ODR):

SEBI vide circular SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023, has introduced an Online Dispute Resolution (ODR) mechanism for investors.

An investor shall first take up his/her/their grievance with the Company. If the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.

Shareholders are requested to take note of the same.

10. GENERAL SHAREHOLDER INFORMATION AND DISCLOSURES:

Date, Time and Venue of the AGM	Thursday, July 18, 2024 at 11:30 a.m. through video conferencing ("VC")/Other Audio visual means ("OAVM") as set out in the Notice convening the Annual General Meeting. **Deemed Venue:** "Solar" House, 14, Kachimet, Amravati Road Nagpur- 440023, Maharasthra.
Financial Year	April 1 to March 31
Financial Calendar	
For the financial year ended March 31, 2024, financial results were announced on:	
1. For the quarter ended June 30, 2023	August 3, 2023
2. For the quarter and half year ended September 30, 2023	November 2, 2023
3. For the quarter and nine months ended December 31, 2023	February 7, 2024
4. For the fourth quarter and financial year ended on March 31, 2024	May 16, 2024

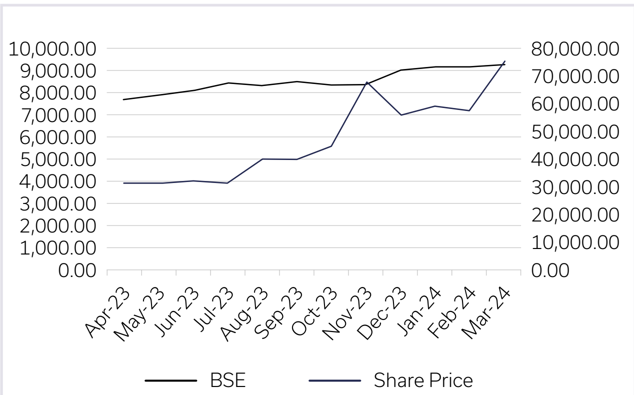
Tentative schedule for declaration of financial results during the financial year 2024-25:	
1. For the quarter ending June 30, 2024	First week of August, 2024
2. For the quarter and half year ending September 30, 2024	First week of November, 2024
3. For the quarter and nine months ending December 31, 2024	Last week of January, 2025
4. For the fourth quarter and financial year ending March 31, 2025	First week of May, 2025
Annual General Meeting for the Year ending March 31, 2025	On or before September 30, 2025
Trading window closure for financial results	From the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
Date of Book Closure	Friday, July 5, 2024 to Thursday, July 18, 2024 (both days inclusive).
Dividend and Dividend Payment Date	Rs. 8.50 per equity share for financial year 2023-24. The payment of such dividend will be made on Monday, July 29, 2024. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements.
Listing on Stock Exchanges	**Equity Shares:** Name & Address of Stock Exchange 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 2. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Non-Convertible Debentures:** Name & Address of Stock Exchange 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Listing Fees	Annual Listing fees for the year 2024-25 has been paid to both the Stock Exchanges as on the date of this Report.
Custody fees	Annual Custody fees for the year 2023-24 has been paid to NSDL and CDSL.
Register and Transfer Agent	**Name:** Link Intime India Private Limited **Address:** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 **Tel No.:** 022 49186000 **Fax No.:** 022 49186060 **Email:** amit.dabhade@linkintime.co.in **Contact Person:** Amit Dabhade **SEBI Registration Number:** INR000004058 **CIN:** U67190MH1999PTC118368
Debenture trustee	**Name:** Axis Trustee Services Limited **Address:** Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli, Mumbai- 400025 **Tel No.:** 022 62300451 **Fax No.:** 022 62300700 **Email:** vasu.lohia@axistrustee.in **Contact Person:** Vasu Lohia **SEBI Registration Number:** IND000000494 **CIN:** U74999MH2008PLC182264
Scrip Code/ Trading Symbol	**532725** on BSE Limited **SOLARINDS** EQ on National Stock Exchange of India Limited
ISIN Number for NSDL & CDSL	**Equity:** INE343H01029 **Non-Convertible Debentures:** INE343H08016 and INE343H08024
Corporate Identity Number (CIN)	L74999MH1995PLC085878

10.1 Market Price Data:

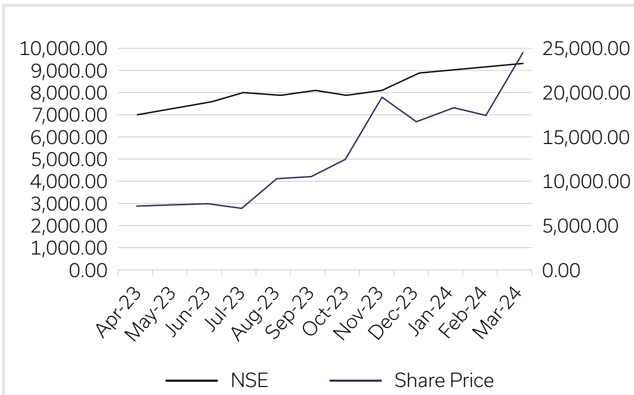
High, Low (based on daily closing prices) during each month in the financial tear 2023-24 on NSE and BSE:

Market price data of BSE & NSE for the financial year 2023-24								
Month	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	Share price		Sensex points		Share price		S & P CNX Nifty point	
	High	Low	High	Low	High	Low	High	Low
April 2023	3,906.65	3,677.30	61,209.46	58,793.08	3,905.95	3,675.70	18,089.15	17,312.75
May 2023	3,911.55	3,682.55	63,036.12	61,002.17	3,914.00	3,665.75	18,662.45	18,042.40
June 2023	3,952.00	3,704.80	64,768.58	62,359.14	3,951.95	3,706.15	19,201.70	18,464.55
July 2023	3860.90	3,456.95	67,619.17	64,836.16	3,864.95	3,453.35	19,991.85	19,234.40
August 2023	4,999.00	3,758.20	66,658.12	64,723.63	4,980.00	3,758.05	19,795.60	19,223.65
September 2023	4,970.80	4,378.60	67,927.23	64,818.37	4,974.75	4,378.05	20,222.45	19,255.70
October 2023	5,584.15	4,785.90	66,592.16	63,092.98	5,590.95	4,780.05	19,849.75	18,837.85
November 2023	8,499.00	5,292.00	67,069.89	63,550.46	7,832.90	5,300.00	20,158.70	18,973.70
December 2023	6,933.65	5,910.00	72,484.34	67,149.07	6,939.75	5,909.35	21,801.45	20,183.70
January 2024	7,387.05	6,330.95	73,427.59	70,001.60	7,390.00	6,330.00	22,124.15	21,137.20
February 2024	7,158.20	6,275.00	73,413.93	70,809.84	7,148.00	6,275.00	22,297.50	21,530.20
March 2024	9,429.10	6,740.00	74,245.17	71,674.42	9,449.00	6,751.00	22,526.60	21,710.20

BSE



NSE



10.2 Share Transfer System:

Share Transfer System as mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange, and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

10.3 Distribution of shares and shareholding pattern as on March 31, 2024:

Shareholding of nominal value (Rs.)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1 – 500	64557	1699394	98.2244
501 – 1000	493	366491	0.7501
1001 – 2000	223	313184	0.3393
2001 – 3000	102	253327	0.1552
3001 – 4000	54	188531	0.0822
4001 – 5000	44	200906	0.0669
5001 – 10000	80	586241	0.1217
10001-- *****	171	86881981	0.2602
TOTAL	**65724**	**90490055**	**100**

10.4 Shareholding Pattern (Category wise) as on March 31, 2024:

Sr. No.	Category	No. of Shareholders	Total Shares	% Total Share holding
1	Promoters	7	66191271	73.1476
2	Resident Individuals (public)	61963	4294478	4.7458
3	Hindu Undivided Family	1109	241096	0.2664
4	Mutual Funds	84	12516031	13.8314
5	Clearing Members	4	71	0.0001
6	Other Bodies Corporate	548	922720	1.0197
7	Investor Education and Protection Fund	1	2045	0.0023
8	Non Resident Indians	1047	52716	0.0583
9	Non-Resident Indians(Non Repatriable)	733	100943	0.1116
10	Non Nationalised Banks	1	25	0.0000
11	NBFCs	5	3078	0.0034
12	GIC & its Subsidiaries	1	32729	0.0362
13	Foreign Portfolio Investor (Corporate)	135	5519775	6.0999
14	Foreign Portfolio Investor (Individual)	1	1250	0.0014
15	Insurance Companies	13	270225	0.2986
16	Trust	8	388	0.0004
17	Body Corporate- Limited Liability Partnership	52	19107	0.0211
18	Alternate Investment Fund	10	314111	0.3471
19	Provident Fund	2	7996	0.0088
	TOTAL	**65724**	**90490055**	**100**

10.5 Address for Correspondence:

Particulars	Contact details	Address
For Corporate Governance, IEPF and other Secretarial matters	**Ms. Khushboo Pasari** Company Secretary & Compliance Officer **Tel:** 0712 6634555/67 **Fax:** 0712 6634578/79 **Email:** cs@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur 440023
For Institutional Investors and Corporate Communication related matters	**Ms. Aanchal Kewlani** **Tel:** 0712 6634555 **Fax:** 0712 2560202 **Email:** investor.relations@solargroup.com	
For share transfer, transmission, National Electronic Clearing Service, dividend, dematerialisation, etc.	**Registrar and Share Transfer Agent:** Link Intime India Pvt. Limited **Tel:** 022 49186000 **Fax:** 02249186000 **Email:** rnt.helpdesk@linkintime.co.in	Link Intime India Pvt. Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083

10.6 Dematerialisation of Shares and liquidity:

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

90490010 Ordinary Shares of the Company representing 99.99% of the Company's share capital is dematerialised.

10.7 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

10.8 Disclosure Related to Commodity Price Risks and Commodity Hedging Activities:

During the financial year 2023-24, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 33 of Consolidated Financial Statements of the Company.

10.9 Plant Locations as on March 31, 2024:

Sr. No.	Unit	Address	City
1	Solar Industries India Limited, Chakdoh	Khasra No. 37-39 & 78-83, Amravati Road Village-Chakdoh (Bazargaon), Tehsil-Katol 441302	Nagpur, Maharashtra
2	Solar Industries India Limited, Waidhan Unit-1	Plot No. 32-37, Udyog Deep Industrial Area, Tehsil Waidhan, District Singrauli, Madhya Pradesh 486886	Waidhan, Madhya Pradesh
3	Solar Industries India Limited, Waidhan Unit-2	Khasra No 975/2 , Post -Ganiyari, Tahsil- Waidhan, District-Singrauli, Madhya Pradesh 486886	District Singrauli, Madhya Pradesh
4	Solar Industries India Limited, Warur	Survey No. 101, Warur Road, Tehsil - Rajura, District Chandrapur, Maharashtra 442905	Chandrapur, Maharashtra
5	Solar Industries India Limited, Korba	Khasra No. 5, Village- Mudapar, (Hardi Bazar) Po- Korbi/ Dhatura, Tahsil: Pali, District Korba, Chhattisgarh 495446	Korba, Chattisgarh
6	Solar Industries India Limited, Ramgarh	Plot No. 967 & 1156, Village –Manua (Binjhar), Post-Argada (Hesla), District Ramgarh, Jharkhand 829101.	Hazribagh, Jharkhand
7	Solar Industries India Limited, Tadali	Plot No. B-11, MIDC Growth Centre, Tadali, District Chandrapur, Maharashtra	Tadali, Maharashtra
8	Solar Industries India Limited, Dhanbad	Plot No. C-32-33 (P), Kandra Industrial Area, At-Bhetia, Post: Govindpur, District Dhanbad, Jharkhand 828109	Dhanbad, Jharkhand.
9	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
10	Solar Industries India Limited, Talcher	IDCO Plot No. 27, Revenue Plot No. 48(P), Industrial Estate,Village Ghantapada, Post- South Balanda (Talcher), District Angul, Odisha 759116	Angul, Orissa.
11	Solar Industries India Limited, Manendragarh	Khasara No. 323/2 Mouza - Chainpur , Tahsil & Post-Manendragarh, District Koria Chhattisgarh 497442	Koria, Chattisgarh.
12	Solar Industries India Limited, Karimnagar	Survey No. 363, Village: Mustial, Post: Sundilla, Mandal-Ramagiri, District Peddapalli, Telangana 505209	Karimnagar, Telangana
13	Solar Industries India Limited, Jharsuguda	Plot No.389 to 392, Village-Beherapali, Post Badmal, Tehsil Jharsuguda, District Jharsuguda, Odisha 768202	Jharsuguda, Odisha
14	Solar Industries India Limited, Bhilwara	Khasra No. 1459 & 1460, Village- Rupaheli, Tahsil.-Hurda, District Bhilwara, Rajasthan 311030	District Bhilwara, Rajasthan
15	Solar Industries India Limited, Kota	Khasra No 132 & 137, Village Dingsi, Post - Suket, Tahsil Ramganj Mandi, District Kota, Rajasthan 326530.	District- Kota, Rajasthan
16	Solar Industries India Limited, Barbil	Khata No 118/22, Plot No 1034,1035,1046/1264,1046/1265,1046/1035,1134,1047 & 1048 Village - Naibaga Tehsil Jhumpura, Barbil Po Dabuna PS. Bamebari District Keonjhar Odisha 758034	District- Keonjhar, Odisha
17	Solar Industries India Limited, Bailadila	Forest Compartment No 626/ 1861 Deposit Kailash Nagar Bailadila iron ore Mines, Kirandul Complex P.O. Kirandul District - Dantewada Chhatisgarh 494556	BIOM Kirandul Chattisgarh
18	Solar Industries India Limited, Pallewada	Survey No 187/A/A & 188/A/B Village – Pallewada Dist. Khammam - Telangana	Pallewada, Telangana
19	Economic Explosives Limited	Village – Sawanga	Nagpur, Maharashtra
20	Economic Explosives Limited, Nimjee	Kh – 40/1 & 40/2 , Khapri, PO – MIDC, Gondkhari, Kamleshwar Road	Nagpur, Maharashtra
21	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh 486886.	District – Singrauli, Madhya Pradesh
22	Emul Tek Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District Raigarh, Chhattisgarh 496001	District- Raigarh, Chhattisgarh
23	Emul Tek Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli, Madhya Pradesh 486886	District – Singrauli, Madhya Pradesh
24	Emul Tek Private Limited	Survey No. 624/3, Plot no. 14, Town/Village - Ratija, Korba, Chhattisgarh 495449.	Distt- Korba, Chhattisgarh
25	Solar Industries India Limited, Kotputli (Under Process)	C/o-Ultratech Cement Ltd,Unit : Kotputali, Kh. No. 221, 222 Village Kujota, District Kotputali, Rajasthan 30318	Kotputli, Rajasthan
26	Solar Industries India Limited, Bhadesar (Under Process)	Survey No 2683,2684, & 2685 Village - Bhadesar - 312602 Tahsil - Bhadsora District Chittorgarh, Rajasthan	Chittorgarh, Rajasthan

Sr. No.	Unit	Address	City
27	Solar Industries India Limited, Satna (Under Process)	Survey No 153/1, Patwari Halka no 32, Village – Bagha, Tahsil – Rampur (Bhaghelan) District Satna - Madhya Pradesh	Satna - Madhya Pradesh
28	Solar Industries India Limited, Seppakkam (Under Process)	Survey No 281/1,281/2, 281/3, 281/4, 281/5, 281/6 A, 281/8 and 281/9 Village – Seppakkam, Dist– Cuddalore , Tamilnadu	Seppakkam, Tamilnadu
29	Solar Industries India limited. Baghadih (under process)	Khasara No. 529/2, 537/1, 537/2/1, 537/2/2, 537/3, 537/4 & 550/9 Village Baghadih,Tehsil Deosar, District Singrauli, Madhya Pradesh 486886.	District Singrauli, Madhya Pradesh
30	Solar Industries India Limited. Indaram (Under Process)	Survey No. 564 to 566 Indaram Mandal, Jaipur District-Mancherial, Telangana 504216	District Mancherial, Telangana
31	Solar Industries India Limited. Surjagarh (Under Process)	Khasra No. E-197, AT-Surjagarh, Tahsil-Etapalli, Dist: Gadchiroli, Maharashtra 442704.	District Gadchiroli, Maharashtra
32	Solar Industries India Limited. Rayagada (Under Process)	IDCO Plot No: B/1 to B/5, B/14(P) TO B/18, B/19 to B/23(P) & B/29(P) to B/33, Khata No 26/3 & 2/13, Rev. Plot No: 9(P), 23(P), 24/112(P), Village- Pitamahal, PS- Seshkhal, District Rayagada, Odisha 765002.	Rayagada, Odisha
33	Emul Tek Private Limited, Warur (Under Process)	Survey No 101 (Part Land, Village – Warur Road, Tahsil – Rajura, Dist. Chandrapur - Maharashtra	Chandrapur, Maharashtra

10.10 Credit Rating:

Given below are the ratings given to the Company by rating agencies during the year under review:

Sr. No.	Instrument Type	Rating/ Outlook	Rating action	Rating Agencies
1.	Long term Bank Loan facility	CRISIL AA+/Stable	Reaffirmed	CRISIL Ratings Limited
2.	Short Term Borrowings	CRISIL A1+	Reaffirmed	CRISIL Ratings Limited
3.	Non-Convertible Debentures	CRISIL AA+/Stable	Reaffirmed	CRISIL Ratings Limited
4.	Non-Convertible Debentures	CRISIL AA+/Stable	Assigned	CRISIL Ratings Limited
5.	Commercial Paper	CRISIL A1+	Reaffirmed	CRISIL Ratings Limited
		[ICRA]A1+; outstanding	Reaffirmed	ICRA Limited

10.11 Major 10 Shareholders as on March 31, 2024 (other than promoters):

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1.	SBI Mutual Fund	5047791	5.5783
2.	Kotak Mutual Fund	4027094	4.4503
3.	HDFC Mutual Fund - HDFC Mid-Cap Opportunities Fund	1657357	1.8315
4.	Fidelity Advisor Series VIII : Fidelity Advisor Focused Emerging Markets Fund	665781	0.7358
5.	Fidelity Emerging Markets Fund	536551	0.5929
6.	BNP Paribas Financial Markets - ODI	535548	0.5918
7.	Vicco Products Bombay Private Limited	421889	0.4662
8.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	350469	0.3873
9.	Vanguard Total International Stock Index Fund	334565	0.3697
10.	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	322244	0.3561

10.12 Voting through electronic Means:

The Company is pleased to provide its Members facility to exercise their right to vote at general meetings by electronic means pursuant to Section 108 of the Companies Act, 2013 and the Rules made thereunder.

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 i.e. from Monday, July 15, 2024 (10.00 a.m. IST) and end on Wednesday, July 17, 2024 (5.00 p.m. IST). The Board of Directors of the Company has appointed CS Tushar Pahade (FCS No.: 7784 & COP No.: 8576) Proprietor of M/s T.S. Pahade & Associates., Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice calling 29th Annual General Meeting and also placed on the website of the Company.

10.13 Unclaimed Dividends:

Pursuant to the provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are required to be transferred to IEPF. The Company had transferred unclaimed dividend and shares to IEPF authority within statutory timelines which were due in financial year 2023-24.

The Company will be transferring the final Dividend and corresponding shares for the financial year 2016-17 on or before August 21, 2024. Members are requested to ensure that they claim the dividends and shares 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.

10.14 Status of unclaimed dividend and shares which have been transferred to IEPF are given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Actions to be taken
Up to and including the Interim dividend and respective shares for the financial year 2016-17 transferred to IEPF	Transferred to the IEPF authority	Yes	File online application in e-form IEPF-5 and send this e-form IEPF-5 to the Registered Office of the Company addressed to the Nodal Officer along with complete documents	IEPF Authority to pay the claim amount to the shareholder based on the e-verification report submitted by the Company and the documents submitted by the investor
For the Final Dividend for the financial years 2016-17 to 2023-24	Amount lying in respective Unpaid Dividend Accounts	Yes	Link Intime India Pvt. Limited	Application to Link Intime India Pvt. Limited along with KYC documents

10.15 Details of date of declaration and due date for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2024 (in Rupees)	Last Date for claiming Unpaid Dividend
2016-17 (Final)	August 21, 2017	60813.00	August 21, 2024
2017-18(Final)	July 31, 2018	84558.00	July 31, 2025
2018-19 (Final)	July 31, 2019	95298.00	July 31, 2026
2019-20 (Final)	September 16, 2020	74126.00	September 16, 2027
2020-21 (Final)	August 31, 2021	58134.00	August 31, 2028
2021-22 (Final)	June 10, 2022	100607.50	June 10, 2029
2022-23 (Final)	June 21, 2023	276432.00	June 21, 2030

11. Subsidiary Monitoring Framework:

As on 31st March, 2024, the Company have 7 (Seven) wholly owned subsidiaries, 24 (Twenty four) step down subsidiaries and 4 (Four) associate Companies in India and across the globe.

All the subsidiary companies of the Company are managed by their Board and Audit Committee (Wherever Constituted) having the rights and obligations to manage these companies in the best interest of respective stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such companies, inter alia, by reviewing:

a) Financial statements, investments, inter-corporate loans/advances made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials.

b) Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.

c) Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

As required under Regulation 16(1) (c) and 24 of the Listing Regulations, the Company has adopted a policy on determining "material subsidiary" and the said policy is available on the Company's website at www.solargroup.com.

12. Fourth Layer Governance Through Management Process:

12.1 Other Disclosures:

a. Disclosure of Related Party Transactions:

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during financial year 2023-24 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

The Company has adopted a policy on Related Party Transactions under Regulation 23 of SEBI Listing Regulations, 2015. During the year under review the Company has reviewed and amended the policy on Related Party Transactions and the same is available on the Company's website and can be accessed at the following link: https://bit.ly/RPTpolicy.

The Policy lays down foundation for Related Party Transactions & intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with Related Parties.

b. Whistle Blower Policy/Vigil Mechanism:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Further it is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice and any event of misconduct.

The Company has adopted a Whistle Blower Policy and has established an effective vigil mechanism system for directors and employees embedded in the Code of Conduct, to report instances of unethical behaviour, actual or suspected fraud, violation of the Company's code of conduct, leak or suspected leak of unpublished price sensitive information to the management.

Under this policy, your Company encourages its employees to report any incidence of fraudulent financial or other information to the stakeholders, reporting of instance(s) of leak or suspected leak of unpublished price sensitive information and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire).

During the year under review the Company has not received any complaints about unethical behaviour from the Whistle Blowers.

No personnel in the Company have been denied access to the Audit Committee or its Chairman.

During the year under review the Company has reviewed and amended the Whistle Blower Policy. The Whistle Blower Policy is available on the Company's website and can be accessed at the following link: https://bit.ly/WBpolicy.

c. Material Subsidiary:

In terms of Regulation 16 (1) (c) and Regulation 24 of SEBI Listing Regulations, 2015 the Company has adopted a Policy for determining Material Subsidiary.

Economic Explosives Limited, Solar Overseas Mauritius Limited and Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi are the material subsidiaries of the Company as per the thresholds laid down under the SEBI Listing Regulations, 2015. There has been no material change in the nature of the business of the subsidiaries.

The Policy for determining material subsidiaries can be accessed at: https://bit.ly/DMSpolicy.

Details of material subsidiaries of the listed entity incorporated, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Sr. No.	Name of the Material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor	Basis of determination of Material subsidiary
1.	Economic Explosives Limited	August 16, 1995 Nagpur, Maharashtra, India	M/s SRBC & Co. LLP Jointly with M/s Gandhi Rathi & Co.	May 2, 2022	Turnover and Net worth
2.	Solar Overseas Mauritius Limited	August 21, 2009 Republic of Mauritius	BIT Associates; Chartered Certified Accountants & Registered Auditors	April 12, 2024	Net worth
3.	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi	June 5, 2007 Turkey	Grant Thronton (GT), Turkey	June 20, 2023	Turnover

d. Terms of appointment of Independent Directors:

Pursuant to Regulation 46 of SEBI Listing Regulations, 2015 and Section 149 of the Act, read with Schedule IV of the Act, the terms and conditions of appointment/ re-appointment of Independent Directors are available on the Company's website at www.solargroup.com.

e. The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2024. During the year under review, the Company has issued Non-Convertible Debentures aggregating to ₹ 35 Crores (Rupees Thirty Five Crores) on private placement basis.

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

g. Compliance with Mandatory Requirements:

Your Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations, 2015. Specifically, your Company confirms compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

h. Certificate of Non-Disqualification of Directors:

A certificate dated May 8, 2024 issued by T.S Pahade & Associates, Practising Company Secretaries, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/ Ministry of Corporate Affairs or any such statutory authority under Regulation 34(3) and Schedule V of SEBI (Listing Regulations), 2015 is enclosed as Annexure- D to this report.

i. During the year under review, the Board has accepted all the recommendations made by Audit Committee, Nomination and Remuneration Committee, StakeHolders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Executive Committee of the Company.

j. Total fees for all services paid by the listed entity to the Statutory Auditors is given in Note No. 25 (a) of the Standalone Financial Statements of the Company.

K. Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares):

In accordance with Regulation 39 and Schedule VI of the SEBI Listing Regulations, 2015 a minimum of three reminders are sent to shareholders, towards the shares which remain unclaimed. In case of non-receipt of response to the reminders from the shareholders, the unclaimed shares are transferred to the Unclaimed Suspense Account. The Company maintains the details of shareholding of each individual shareholders whose shares are transferred to the Unclaimed Suspense Account. When a claim from a shareholder is received by the Company, the shares lying in the Unclaimed Suspense Account are transferred after due verification of documents submitted by the shareholder.

The voting rights on the shares in the suspense account shall remain frozen till the rightful owner claims the shares.

Further, the shares in respect of which dividend entitlements remained unclaimed for seven consecutive years are transferred from the Unclaimed Suspense Account to IEPF Authority in accordance with Section 124(6) of the Act, 2013 and rules made thereunder.

The disclosure as required under Schedule V of the SEBI (Listing Regulations), 2015 is given below for the financial year 2023-24:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	-	-
2.	Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	-	-
3.	Number of shareholders to whom shares were transferred from suspense account during the year.	-	-
4.	Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF.	-	-
5.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	-	-

l. Disclosure of certain type of agreements binding listed entities:

Intimation of list of Family Settlement dated March 28, 2009 under Regulation 30A of the SEBI Listing Regulations, 2015 was submitted to both the stock exchanges on August 3, 2023.

m. Protection of Women at Workplace:

The Company believes that every employee should have the opportunity to work in a conducive environment free from any conduct which can be considered as Sexual Harassment. The Company is committed to treat every employee with dignity and respect.

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars Number	Number
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

The training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment.

n. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested:

Details are given in Note No. 5 of the Standalone Financial Statements and Consolidated Financial Statements.

o. Disclosure of Non-Compliance with Corporate Governance Requirement:

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

p. Disclosure Policy:

In line with requirements under Regulation 30 of the SEBI Listing Regulations, 2015, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: https://bit.ly/DMEpolicy.

q. D&O Insurance for Directors:

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, 2015 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.

r. Policy for Preservation of Documents:

Pursuant to the requirements under Regulation 9 of the SEBI Listing Regulations, 2015, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company`s website at https://bit.ly/PODpolicys.

s. 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 Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

t. Compliance on Matters Related to Capital Markets:

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years. During the financial year 2022-23 few instances of delayed submission of disclosures to the stock exchanges for which the Company has paid the fine.

The Company has also filed a waiver/refund application to the Stock Exchanges along with the necessary clarifications. The waiver application is currently pending before the Stock Exchanges.

u. 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' ("Code for prevention of insider trading") 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)' ("Code of Fair Disclosures") in compliance with the PIT Regulations.

The management also conducted trainings to create awareness on various aspects of the Code for Prevention of Insider Trading and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance.

The Company also circulates the informative emails on Prevention of Insider Trading to the employees to familiarise them with the provisions of the Code for Prevention of Insider Trading.

The Board has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI Insider Trading Regulations.

During the year under review the Company has reviewed and amended the Code for prevention of insider trading and Code of Fair Disclosures. The Code of Fair Disclosures is posted on the website of the Company at the link https://bit.ly/CodeofPracticesandProcedures.

v. Disclosure on resignation of Independent Directors:

During the year under review, none of the Independent Directors of the Company has resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

w. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
1.	Board of Directors	17	Yes	• Board Composition and Appointment of Directors • Meetings of Board of Directors and Quorum • Review of Compliance Reports • Plans for orderly succession for appointments • Code of Conduct • Fees / Compensation paid to Non-Executive Directors • Minimum Information to be placed before Board • Compliance Certificate by CEO and CFO • Risk Assessment & Management • Performance evaluation of Independent Director
2.	Maximum Number of Directorships	17 A	Yes	• Directorships in listed entities
3.	Audit Committee	18	Yes	• Composition of Audit Committee • Presence of the Chairman of the Committee at the Annual General Meeting • Meetings and Quorum • Role of Committee and Review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	• Composition of Nomination & Remuneration Committee • Presence of the Chairman of the Committee at the Annual General Meeting • Meetings and Quorum • Role of Committee
5.	Stakeholders Relationship Committee	20	Yes	• Composition of Stakeholders Relationship Committee • Presence of the Chairman of the Committee at the Annual General Meeting • Meetings and Quorum • Role of Committee
6.	Risk Management Committee	21	Yes	• Composition and role of Risk Management Committee • Meeting and Quorum • Role of Committee
7.	Vigil Mechanism	22	Yes	• Formulation of Vigil Mechanism and Whistleblower policy for Directors and Employee • Adequate safeguards against victimization of Director(s) or employee(s) or any other person
8.	Related Party Transaction	23	Yes	• Policy on Materiality of related party transactions and dealing with related party transactions • Prior approval including omnibus approval of Audit Committee for related party transactions • Quarterly review of related party transactions • Disclosure on related party transactions

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
9.	Subsidiaries of the Company	24	Yes	• Appointment of Company's Independent Director on the Board of unlisted material subsidiaries • Review of financial statements and investments of unlisted subsidiaries by the Audit Committee • Minutes of the board of Directors of the unlisted subsidiaries are placed at the meeting of the Board of Directors • Significant transactions and arrangements of unlisted subsidiaries are placed at the meeting of the Board of Directors
10.	Secretarial Audit	24A	Yes	• Secretarial Audit of the Company and of material unlisted subsidiaries incorporated in India • Secretarial Audit Report of the Company and of material subsidiaries are annexed with the Annual Report of the Company • Annual Secretarial Compliance Report
11.	Obligations with respect to Independent Directors	25	Yes	• Maximum Directorship & Tenure • Meetings of Independent Directors • Appointment and Cessation • Review of Performance by the Independent Directors • Familiarization of Independent Directors • Declaration of Independence • Directors and Officers Insurance for all the Independent Directors
12.	Obligations with respect to employees including senior management, key managerial persons, directors and promoters.	26	Yes	• Memberships/Chairmanships in committees • Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel • Disclosures by senior management about potential conflict of Interest
13	Obligations in respect of Key Managerial Personnel	26A	NA	• Filing in of vacancies in respect of certain Key Managerial Personnel
14.	Other Corporate Governance Requirements	27	Yes	• Compliance of Discretionary Requirements • Filing of Quarterly, Half-Yearly and Yearly Compliance Report on Corporate Governance
15.	Disclosures on Website of the Company	46(2) (b) to (i)	Yes	• Terms and conditions of appointment of Independent Directors • Composition of various committees of Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism/ Whistle Blower policy • Criteria of making payments to Non-Executive Directors • Policy on dealing with Related Party Transactions • Policy for determining Material Subsidiaries • Details of familiarization programmes imparted to Independent Directors

12.2 Discretionary Requirements under Regulation 27 of SEBI Listing Regulations, 2015:

The listed entity has complied with the Discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations, 2015.

a. The Board:

The Chairman of the Company is a Non-Executive Director. The Chairperson's office is maintained at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.

b. Shareholders rights:

The quarterly and half yearly financial results of the Company are published in the English newspaper (Business Standard) having a wide circulation all over India and in a Marathi newspaper (Loksatta) having a circulation in Nagpur, the same are not sent separately to the shareholders of the Company, but hosted on the website of the Company.

c. Audit Qualifications:

During the year under review, there was 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 Auditor of the Company reports to the Audit Committee of the Company.

e. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

The Chairman of the Board of Directors is a Non-Executive Director and his position is separate from the Managing Director & Chief Executive Officer. Further the Chairman and Managing Director & CEO are related to each other.

13. CEO and CFO CERTIFICATION:

The Managing Director & Chief Executive Officer (CEO) and the Chief Financial Officers (CFOs) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, 2015, the copy of which is attached as annexure B to this Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations, 2015.

14. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the certificate from one of the Company's Joint Statutory Auditors, Gandhi Rathi & Co., Chartered Accountants, regarding compliance with the provisions relating to the Corporate Governance as stipulated under the certificate annexed as annexure C to the report on Corporate Governance Schedule V and Regulation 34 of SEBI Listing Regulations, 2015 for the financial year 2023-24, as attached to this report and will be sent to the stock exchanges along with this annual report to be filled by the Company.

Annexure A

Declaration of Compliance with the Code of Conduct

I, Manish 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 i.e. 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, 2024.

For **Solar Industries India Limited**

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Place: Nagpur
Date: May 16, 2024

Annexure B

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

(REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

To,
The Board of Directors,
Solar Industries India Limited

We have reviewed financial statements and the cash flow statements of Solar Industries India Limited for the year ended March 31, 2024 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 financial year 2023-24 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 & CEO
DIN: 00164388

Shalinee Mandhana
Joint CFO

Moneesh Agrawal
Joint CFO

Place: Nagpur
Date: May 16, 2024

Annexure C

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY SOLAR INDUSTRIES INDIA LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

To,
The Members,
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, 2024, 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 Requirement, 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 SEBI Listing Regulations.

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

For and on behalf of
Gandhi Rathi & Co.
Chartered Accountants
Firm Registration No.103031W

C.N. Rathi
Partner
M.No. 39895
UDIN: 24039895BKABEX6264

Place: Nagpur
Date: May 16, 2024

Annexure D

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Solar Industries India Limited

We have examined the following documents:

i) Declaration of non-disqualification received from directors under section 164 of Companies Act 2013('the Act') in April 2024;

ii) Disclosure of concern or interest received from directors under section 184 of the Act in April 2024

and relevant registers, records, forms and returns of **Solar Industries India Limited (CIN: L74999MH1995PLC085878)** having its Registered Office at "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India {the Company}, provided by the Company as scanned copies in physical or electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Shri Satyanarayan Nuwal	00713547	24/02/1995
2.	Shri Manish Nuwal	00164388	25/10/2008
3.	Shri Suresh Menon	07104090	11/05/2018
4.	Shri Milind Deshmukh	09256690	29/07/2021
5.	Shri Natrajan Ramkrishna	06597041	19/10/2022
6.	Shri Jagdish Chandra Belwal	08644877	05/12/2022
7.	Smt. Rashmi Prasad*	10329445	21/09/2023
8.	Shri Dinesh Kumar Batra **	08773363	01/04/2024
9.	Shri Amrendra Prasad Verma***	00236108	01/04/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Notes:

* Appointed w.e.f. September 21, 2023.

** As on the date of signing of this Report, Shri. Dinesh Kumar Batra (DIN: 08773363) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f April 01, 2024.

*** Shri. Amrendra Prasad Verma (DIN: 00236108), has completed his second term as a Non-Executive Independent Director on March 31, 2024 and accordingly ceases to be a Director of the Company w.e.f. April 01, 2024.

**** Smt. Sujitha Karnad ceased to be the Non-Executive Independent Director of the Company w.e.f. June 21, 2023. The proposed Special Resolution for her re-appointment was not approved by the Shareholders in their meeting dated June 21, 2023.

For **T.S Pahade & Associates**

Tushar S. Pahade
FCS 7784
CP 8576
UDIN - F007784F000331800
PR No.: 3052/2023

Place: Nagpur
Date: May 8, 2024

Independent Assurance Report

The Board of Directors
Solar Industries India Limited
"Solar" House 14,
Kachimet, Amravati Road,
Nagpur 440023

Subject: Independent Reasonable Assurance Report on KPIs/Metrics in the Business Responsibility and Sustainability Report (BRSR) of Solar Industries India Limited (hereafter referred to as "Solar" or "Company") for the Financial Year ended on March 31, 2024

1. Introduction and Scope

Moore Singhi Advisors LLP ("Moore Singhi" or "we" or "us") has been engaged by Solar Industries India Limited to provide independent reasonable assurance on Key Performance Indicators (KPIs) / metrics under nine (9) ESG attributes (listed in Annexure 1) that form part of Business Responsibility and Sustainability Report ("BRSR Core") issued under SEBI Circular: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 - "BRSR Core – Framework for assurance and ESG disclosures for value chain" issued on July 12, 2023 ("Circular"), and under the terms of the engagement letter dated April 20, 2024.

Our assurance on disclosures is for the period starting from April 1, 2023, to March 31, 2024. We have not performed any procedures for the earlier periods or any other elements included in the BRSR report, and therefore do not express any opinion thereon.

The reporting boundary for the BRSR disclosures includes Solar's operations of 15 manufacturing locations at Chakdoh, Chandrapur, Waidhan 2, Jharsuguda, Ramgarh, Korba.

Ramagundam, Pallewada, Dhanbad, Asansol, Bhilwara, Barbil, Manendragarh, Talcher, Bailadila, and Corporate Office. An on-site verification was conducted at the Nagpur Office, Chakdoh plant and Chandrapur plant.

2. Solar's responsibility

Solar is responsible for the selection of the reporting criteria, reporting period, reporting boundary, preparation, and disclosure of BRSR information and the BRSR Core KPIs / metrics under the nine attributes as per "Annexure I – Format of BRSR Core" of the aforesaid Circular. This responsibility includes stakeholder engagement; design, implementation, and maintenance of internal control, including policies and processes; maintenance of adequate records; calculations; making estimates that are reasonable in the circumstances; and ensuring that they are free from material misstatement, whether due to fraud or error. Moore Singhi was not involved in the preparation of the BRSR report, BRSR Core KPIs and/or related backup data.

3. Moore Singhi's responsibilities

Our responsibility is to provide reasonable assurance on the BRSR Core KPIs based on the procedures we have performed and the evidence we have obtained from the Company. We do not accept or assume any responsibility for any other purpose or to any other person or organization.

We have considered quantitative materiality and qualitative factors in; (i) planning the scope of our work and evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the BRSR Core.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, and the International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, as well as the terms of reference for this engagement as agreed with Solar in the engagement letter dated April 20, 2024.

Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the KPIs presented to us are prepared in accordance with the reporting criteria chosen by the Company as per the Circular.

A reasonable assurance engagement includes performing procedures to obtain sufficient and appropriate evidence assessing the risk of material misstatement of the KPIs disclosed in BRSR Core. In this connection, we have performed the following procedures:

1. Evaluated the suitability of the quantification methods used for the BRSR Core KPIs.

2. Engaged in discussions with the personnel at both corporate and facilities responsible for the information presented in the report.

3. On a test basis, verified the data collected, recorded, and aggregated to ensure the veracity of the reporting.

4. Enquired with the senior management of the Company and obtained management representation towards all the stated matters of the report.

Exclusions:

- Management controls, including testing internal controls or verifying the aggregation and calculation of data within the IT systems.
- The Company's statements that describe expressions of opinion, belief, aspiration, expectation, aim or future intentions or any forward-looking assertions and/or data.
- Review of the 'economic and/or financial performance indicators' included in the Report or on which KPI reporting is based.

4. Inherent Limitations

The reliability of assurance on non-financial information is subject to uncertainties inherent in the assurance process. The lack of a significant universal body of established practice for measuring and evaluating non-financial information allows for different, but acceptable, measures and measurement techniques, potentially affecting comparability between entities. Specifically, the uncertainties in greenhouse gas (GHG) emissions estimation arise due to incomplete scientific knowledge, limitations in quantification models, assumptions, or conversion factors used to arrive at results. Due to these inherent limitations, there are possibilities that material misstatements in the sustainability information of the BRSR Core KPIs in the Report may remain undetected.

5. Opinion

Based on our procedures performed and evidences obtained as mentioned in the section 3, information and explanations given and management representations provided to us, we are of the opinion that the BRSR Core KPIs mentioned in Annexure – 1 of our report, are prepared in accordance with the criteria chosen by the Company based on the requirements of the Circular.

6. Restriction on Use

Our work was performed solely to assist management in meeting their responsibilities in relation to Solar's assurance requirements as per the Circular. The report is addressed and provided to the Board of Directors of the Company, solely for the purpose of enabling it to comply with the aforementioned requirements of the Circular, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or duty of care for any other purpose for which or to any other person to whom this assurance report is shown or into whose hands it may come without our prior consent in writing.

Other than as described in paragraph 1, which sets out the scope of our engagement, we did not perform any assurance procedures on the remaining information. Accordingly, we do not express an opinion on that information.

7. Statement of independence, impartiality, and competence

Moore Singhi is a professional services firm offering a range of services in assurance and advisory to both domestic and international clients across industries. We have complied with independence and ethical requirements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This assurance engagement comprises multidisciplinary experts with deep knowledge in sustainability, ESG reporting principles and standards, and related assurance standards.

For and on behalf of Moore Singhi Advisors LLP,

Ravi Sankar Nori
Chief Operating Officer (ESG Services)

Annexure -1

Sr. No.	Attribute	Parameter
1	Greenhouse gas (GHG) footprint	Total Scope 1 emissions
		Total Scope 2 Carbon emissions
		GHG Emission Intensity
		(Scope 1 +2)
2	Water footprint	Total water consumption
		Water consumption intensity
		Water Discharge by destination and levels of Treatment
3	Energy footprint	Total energy consumed
		% of the energy consumed from renewable sources
		Energy intensity
4	Embracing circularity - details related to waste management by the entity	Plastic waste, e-waste, bio-medical waste, construction and demolition waste, radioactive waste, other hazardous waste, and other non-hazardous waste generated
		Total waste generated
		Waste intensity
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations
		For each category of waste generated, total waste disposed by nature of disposal method
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
		Details of safety related incidents for employees and workers (including contract workforce e.g. workers in the company's construction sites)
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid
		Complaints on POSH
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
		Number of days of accounts payable
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties
		Loans and advances & investments with related parties

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

Sr. No.	Particulars	Response
1	Corporate Identity Number (CIN) of the Listed Entity	L74999MH1995PLC085878
2	Name of the Listed Entity	Solar Industries India Limited
3	Year of incorporation	24/02/1995
4	Registered office address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India
5	Corporate address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India
6	E-mail	brr@solargroup.com
7	Telephone	0712-6634567
8	Website	www.solargroup.com
9	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11	Paid-up Capital	90490055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
12	Name of the Contact Person	Mrs. Khushboo Pasari
	Telephone	0712- 6634555
	Email address	khushboo.pasari@solargroup.com
13	Reporting boundary	The disclosures made in the BRSR Report are on Standalone basis.
14	Name of assurance provider	Moore Singhi Advisors LLP
15	Type of assurance obtained	Reasonable Assurance on BRSR Core parameters.

II. Product/Services

16. Details of business activities (Accounting for 90% of the entity's turnover on standalone basis.)

Sr. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturing of Industrial Explosives & Initiating Systems	Manufacturing of Industrial Explosives	97.04

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/ Service	NIC Code	% of Total Turnover contributed
1	Industrial Explosives and Initiating Systems	24292	97.04

Please refer to the Company's website (www.solargroup.com) for complete details of products.

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	No. of Offices	Total
National	26	3	29
International	NA	NA	NA

The Company's operations are spread across the Country. Details of Plant locations are provided under section of shareholders information in the Corporate Governance Section of the Integrated Annual Report FY 24.

19. Markets served by the entity:

a. Number of locations

Location	Numbers
National (No. of States)	We have a PAN India presence.
International (No. of Countries)	Solar has presence in more than 82 Countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

During the Financial Year 2023-24, on a standalone basis exports contributed 25.84% in the total turnover of the Company.

c. A brief on types of customers

Solar is one of the leading Companies in the manufacturing of Explosives for Mining and Defence applications. The industries catered by Solar are:

1. CIL (Coal India Limited)
2. Non-CIL & Institutional
3. Housing & Infrastructure
4. Exports & Overseas
5. Defence

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total no. (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent Employees (D)	929	871	93.76	58	6.24
2	Other than Permanent Employees (E)	-	-	-	-	-
3	**Total Employees (D + E)**	**929**	**871**	**93.76**	**58**	**6.24**
	Workers					
4	Permanent (F)	957	937	97.91	20	2.09
5	Other than Permanent (G)	2652	1907	71.91	745	28.09
6	**Total Workers (F + G)**	**3609**	**2844**	**78.80**	**765**	**21.20**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total no. (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1	Permanent Employees (D)	-	-	-	-	-
2	Other than Permanent Employees (E)	-	-	-	-	-
3	**Total Employees (D + E)**	**-**	**-**	**-**	**-**	**-**
	Workers					
4	Permanent (F)	1	1	100	-	-
5	Other than Permanent (G)	3	3	100	-	-
6	**Total Workers (F + G)**	**4**	**4**	**100**	**-**	**-**

21. Participation/Inclusion/Representation of women

Sr. No.	Category	Total no. (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5
2	Key Management Personnel	6	2	33.33

22. Turnover rate for permanent employees and workers

Category	FY 24			F23			FY 22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.36%	1.72%	13.08%	11.02%	1.88%	12.90%	10.11%	2.41%	12.52%
Permanent Workers	18.2%	1.7%	19.9%	12.03%	0.39%	12.42%	11.88%	0.22%	12.10%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding/ Subsidiary/ Associate / or Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity?
1.	Economic Explosives Limited	Subsidiary	100	Yes
2.	Solar Defence Limited	Subsidiary	100	No
3.	Solar Defence Systems Limited	Subsidiary	100	No
4.	Emul Tek Private Limited	Subsidiary	100	No
5.	Solar Avionics Limited	Subsidiary	100	No
6.	Solar Explochem Limited	Subsidiary	100	No
7.	Rajasthan Explosives and Chemicals limited	Step down Subsidiary	-	No
8.	Solar Overseas Mauritius Limited	Subsidiary	100	No
9.	Solar Explochem Zambia Limited	Step down Subsidiary	-	No
10.	Nigachem Nigeria Limited	Step down Subsidiary	-	No
11.	Solar Patlayici Maddeler San. A.S.	Step down Subsidiary	-	No
12.	Solar Overseas Netherlands B.V.	Step down Subsidiary	-	No
13.	Solar Mining Services Pty Limited, South Africa	Step down Subsidiary	-	No
14.	P.T. Solar Mining Services	Step down Subsidiary	-	No
15.	Solar Nitro Ghana Limited	Step down Subsidiary	-	No
16.	Solar Madencilik Hizmetleri A.S.	Step down Subsidiary	-	No
17.	Solar Overseas Netherlands Cooperative U.A.	Step down Subsidiary	-	No
18.	Solar Overseas Singapore Pte Ltd	Step down Subsidiary	-	No
19.	Solar Industries Africa Limited	Step down Subsidiary	-	No
20.	Solar Nitro Zimbabwe (Private) Limited	Step down Subsidiary	-	No
21.	Solar Nitro Chemicals Limited	Step down Subsidiary	-	No
22.	Solar Mining Services Pty Ltd, Australia	Step down Subsidiary	-	No
23.	Solar Mining Services Cote D'ivoire Limited Sarl	Step down Subsidiary	-	No
24.	Solar Venture Company Limited	Step down Subsidiary	-	No
25.	Solar Mining Services Burkina Faso Sarl	Step down Subsidiary	-	No
26.	Solar Mining Services Albania	Step down Subsidiary	-	No
27.	Solar Nitro SARL	Step down Subsidiary	-	No
28.	Solar Nitro Kazakhstan Limited	Step down Subsidiary		No

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding/ Subsidiary/ Associate / or Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity?
29.	Power Blast LLP	Step down Subsidiary		No
30.	Solar Nitro (SL) Ltd. SNL (Sierra Leone)	Step down Subsidiary		No
31.	Astra Resources Pty Limited, South Africa	Associate	-	No
32.	Ortiz Investments (Pty) Ltd.	Associate	-	No
33.	Solar United Co. Ltd.	Associate	-	No
34.	Zmotion Autonomous Systems Private Limited	Associate	45	No

VI. CSR Details

24	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes, CSR is applicable under section 135 of Companies Act, 2013.
	Turnover of the Company for the FY 24 is	₹ 3,717.52 Cr.
	Net worth of the Company for the FY 24 is	₹ 2,346.47 Cr.

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Solar has a structured process for engaging with the communities in the vicinity of the Company operations. The Factory manual and Registers contains the Grievance Redressal Mechanism.	NIL	NA	NA	NIL	NA	NA
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA
Shareholders	Yes, During FY 24 no complaints were received, However, one complaint of shareholder received in FY 21 is pending.	Nil	1	The details about the pending shareholder complaint of Shri Kailash Chandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 24.	Nil	1	The details about the pending shareholder complaint of Shri Kailash Chandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 24.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, Solar has a Grievance Redressal Procedure with appropriate systems and mechanisms to address employee concerns and complaints pertaining to human rights and labour practices. It aims to facilitate structured discussions and resolutions of the grievances raised on labour practices and human rights.	Nil	Nil		Nil	NA	NA
Customers	Yes, Robust systems have been put in place across Solar Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner.	9	Nil	NA	10	NA	NA
Value Chain Partners	Yes, the Company's Code of Conduct for Suppliers and Service Providers includes Grievance Redressal Mechanism.	Nil	NA	NA	Nil	NA	NA

The Policies are hosted on the website of the Company www.solargroup.com

26. Overview of the entity's material responsible business conduct issues

The Company conducts materiality assessments to identify the material issues including environmental and social ones and understand the relative importance of these issues for its stakeholders and its business. Accordingly specific action plans are devised for addressing each material issue at regular intervals. Such assessments help in identifying key drivers for value creation over a period. The assessments are conducted by independent external advisors, in line with global standards, on a periodic basis. The most recent materiality assessment has been conducted in FY 22.

Solar has a robust Risk Management System covering operational, Environmental, social and Governance related Risks. For more information on Risk Management Framework, 'Strategic Risk Management' and 'Material Issues' refer to sections of ESG and Integrated Annual Report FY 24.

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change, Energy and Emissions	Risk/ Opportunity	• **Risk:** We face potential physical environment risks from the effects of climate change on our business, including extreme weather and water scarcity. Climate risk can pose challenges to our operations (production & Supply chain disruption) due to harsh climatic conditions (flood, cyclone, higher temperature etc.) • **Opportunity:** Climate adaptation and mitigation are key to building a future-ready organisation. They can also reduce operational costs and drive greater efficiencies for the business.	• Climate change pose risk to our operations, to mitigate the same we are accelerating the process of decarbonization and stimulating activity along the value chain. • We are monitoring our emissions and establishing goals and targets along with implementation of energy saving and energy efficiency measures.	Negative/ Positive
2.	Environmental Risk and Compliance	Risk	• Explosive industry is subjected to various government's laws and regulations. Non-compliance to these regulations can result in monetary forfeiture, legal fines and penalties, harm to brand reputation, loss of business opportunities, and a loss of value.	• We are dedicated to improving our environmental performance and maintaining positive legal compliance. • The Company is ISO 14001 certified and has well established Environmental Management System which ensures continuous monitoring and subsequent improvement of environmental parameters.	Negative/ Positive

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Water Conservation and Management	Risk	• Effective water management is crucial for the Company's operations, as continuous and reliable water sourcing is vital to its functioning. • Additionally, as a result of climate change, access to fresh water is expected to reduce in certain geographies, making water a scarce resource.	• The Company not only meets the statutory criteria set by regulatory authorities for water sourcing but also takes proactive measures to optimize its usage. The Company's water management strategy includes reducing freshwater consumption, implementing water recycling/ reuse and promoting water-saving initiatives.	Negative
4.	Waste and Hazardous Materials Management	Risk	• Mismanagement of hazardous materials can jeopardize the well-being and safety of employees, while also resulting in considerable environmental harm, including contamination of soil and water.	• We have a well-established waste management practice in place which ensures the appropriate waste disposal as per the waste category defined by the State Pollution Control Board.	Negative
5.	Occupational Health and Safety	Risk	• Our nature of operation is sensitive and even a small nonadherence to any of the safety measures can result in injury or loss of lives and affect business sustainability. • Each safety incident also has a negative impact on the health, well-being and morale of employees along with a negative reputational impact on the Company. They may also result in operational and financial loss to the Company, including potential partial closure of the plant.	• Our Company has SHE framework in place to ensure safe operations. • We provide safety training and conduct periodic safety audits, to enforce safety protocols. • Our organization has adopted safety and health standards that are considered benchmarks within the global industry.	Negative

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Employee Health and wellbeing	Opportunity	• Solar ensures access to healthcare services, wellness programs and other benefits that help employees maintain a healthy work-life balance. Providing such opportunities can lead to improved employee satisfaction, increased productivity, and reduced absenteeism and turnover rates. • The Company's ability to attract and retain talent provides the Company with a competent and experienced workforce and reduces recruitment costs for the Company.	NA	Positive
7.	Human Rights	Risk	• Instances of human rights violations or non-compliance with statutory norms can lead to adverse financial and reputational implications	• We have human rights policy which ensures that any non-compliance related to human rights will be addressed and resolved in a timely manner.	Negative
8.	Diversity and Inclusion	Opportunity	• We believe that driving equity, diversity, and inclusion strengthens our business. A diverse and inclusive workforce can boost performance, reputation, innovation, and motivation. This will help build a fairer world and strengthen the business.	NA	Positive
9.	Customer Satisfaction	Opportunity	• Customer relationship management plays a significant role in our business operations.	NA	Positive
10.	Data Privacy & Security	Risk	• Safeguarding the security of the data and the entire value chain, particularly customers, are important for its business operations.	• Safeguarding the security of the data and the entire value chain through cyber risk assessment and implementation of business continuity plan for IT platforms.	Positive/ Negative

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Skill Development	Opportunity	• Creating the best employee experience and gaining recognition as one of the good employers in our main operating areas will aid us in attracting, hiring, and retaining talented individuals.	NA	Positive
12.	Supply Chain Management and Materials Sourcing	Risk	• We are facing risks in supply chain management and materials sourcing, transportation, regulatory compliance, and supplier relationship.	• Enhancing supply chain management by developing innovative technology and working with reliable partners. • We are developing innovative logistics solutions that can reduce transport costs and enhance safety.	Negative/ Positive
13.	Regulatory Compliance	Opportunity	• Regulatory compliance is an opportunity for our industry to demonstrate its commitment for sustainable operations and market presence across the global.	NA	Positive
14.	Innovation and R&D	Opportunity	• Investing in research and development, product testing, and continuous improvement can lead to innovative products that meet customers' needs and exceed their expectations.	NA	Positive
15.	Ethical Business Conduct	Opportunity	• Non-compliance with ethical business practices and integrity related obligations can lead to legal fines and penalties, financial losses, damage to brand reputation, missed business opportunities, and a decrease in company value.	NA	Negative/ Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

	Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
Policy and management processes										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Company policies are available on Solar Industries India Limited official website, www.solargroup.com Also, some policies & internal documents are available on company Intranet page.								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, all the policies are translated into procedures.								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Code of Conduct and other applicable policies extends to our value chain partners.								
4	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Solar's manufacturing facilities have well defined Quality, Environment, Health & Safety management systems in place and are aligned with the international Solar has following codes & certifications: 1. Quality Management System- ISO 9001:2015 2. Environment Management System- ISO 14001:2015 3. Occupation Health & Safety Management System- ISO 45001:2018 4. CE Certification for Detonators and Shock Tube 5. NABL Certification (ISO/IEC 17025 : 2017) for Defence Products.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Solar has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and biodiversity conservation etc. The ESG section forming part of this Integrated Annual Report provides details about the ESG Objectives of the Company.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In Order to achieve such targets, the Company has established management systems that entail regular monitoring of Environment KPI's and reviewing progress on a regular basis to ensure that businesses are aligned with ESG Goals. We track key parameters in policies and record them for learning and development to enhance our policies. Please refer ESG Section on page no. 54 of Integrated Annual Report FY 24 for more information.								

Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
The policies relevant to the respective NGRBC Principles are listed below:									
P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1. Code of Conduct for Directors, Senior Management & Employees 2. Code on Prohibition of Insider Trading 3. Dividend Distribution Policy 4. Policy on Determination of Material Subsidiary 5. Policy on Determination of Materiality for Disclosure of Events or Information 6. Related Party Transactions Policy 7. Vigil Mechanism or Whistle Blower Policy 8. Audit Committee Charter 9. EHS Group policy (Internal document)								
P2 Businesses should provide goods and services in a manner that is sustainable and safe	1. The Solar's Supplier Code of Conduct 2. EHS Group policy (Internal document) 3. Human right policy (Internal document) 4. Code of Conduct for Directors, Senior Management & Employees								
P3 Businesses should respect and promote the well-being of all employees, including those in their value chains	1. Nomination and Remuneration Policy 2. Sexual Harassment Policy 3. Vigil Mechanism or Whistle Blower Policy 4. The Solar's Supplier Code of Conduct (Internal policy Document) 5. Human right policy (Internal document) 6. Parental policy, workman leave policy Policy Etc. (All are internal policies available on company intranet) 7. EHS Group policy (Internal document)								
P4 Businesses should respect the interests of and be responsive to all its stakeholders	1. Divided distribution policy 2. Code on Prohibition of Insider Trading 3. Policy on Determination of Materiality for Disclosure of Events or Information 4. Related Party Transactions Policy								
P5 Businesses should respect and promote human rights	1. Code of Conduct for Directors, Senior Management & Employees 2. Human Rights group policy (Internal document) 3. Nomination and Remuneration Policy 4. The Solar's Supplier Code of Conduct (Internal policy Document) 5. EHS policy (Internal Document)								

	Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
P6	Businesses should respect and make efforts to protect and restore the environment	1. EHS policy (Internal Document) 2. Risk Management Policy								
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	1. Code of Conduct for Directors, Senior Management & Employees								
P8	Businesses should promote inclusive growth and equitable development	1. Corporate Social Responsibility Policy 2. The Solar's Supplier Code of Conduct (Internal policy) 3. Human right Group policy (Internal document)								
P9	Businesses should engage with and provide value to their consumers in a responsible manner	1. Cyber security policy 2. Code of Conduct for Directors, Senior Management & Employees 3. Audit Committee Charter								
Governance, leadership and oversight										
7	Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievement	Please refer to the MD's statement in the Integrated Annual Report FY 24.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	At highest level the Board of Directors of the Company represented by Shri Manish Nuwal (Managing Director & Chief Executive Officer) has the primary role in the strategic supervision of the ESG Policies of the Company. The CSR Committee is there to ensure implementation of the Sustainability objectives of the Company. The SCRC Committee monitors and evaluates the compliance with these Policies.								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, we have Board committees, which are responsible for and takes decisions on sustainability related issues. 1. The Risk Management Committee (RMC): The RMC formulated a detailed Risk Management Policy covering the framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, Measures for risk mitigation including systems and processes for internal control of identified risks, Business continuity plan. The RMC ensures that appropriate methodology processes and systems are in place to monitor and evaluate risks associated with the business of the Company. 2. The Corporate Social Responsibility (CSR) Committee: The CSR Committee defines the focus areas and indicates the activities to be undertaken by the Company under CSR domain. CSR Committee formulate the Annual action Plan, monitor the budget under the CSR activities of the Company. CSR committee reviews status of the projects taken towards social cause & further gives directions to uplift the life of the community surrounding, which contributes for sustainability.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, done by Executive management, relevant committee & Board on annual basis.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with applicable laws & regulations.																	

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	Policies are currently evaluated internally. Third-party assessments and certifications will be conducted as and when required.								
12	The entity does not consider the principles material to its business (Yes/No) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) The entity does not have the financial or/human and technical resources available for the task (Yes/No) It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)	Answer to question (1) above is "No", hence this question is Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	During FY 24, various updates were made at the Board and Committee meetings. Independent Directors in their capacity as members of various Committees of the Board were informed on developments relating to regulatory, economic, and operating environmental changes, new business initiatives, strategic investments, corporate governance, information technology, and various risk indicators. Familiarisation programs were arranged during the year for newly inducted Independent Directors of the Company. Further, updates on performance review, strategy and key regulatory developments, CSR initiatives and ESG are presented at the quarterly board meetings through presentations. The Board and Audit Committee is updated on key compliance, risk and audit observations, impact arising out of the issues along with management action plans.	100
Key Management Personnel	4	Solar has designed training programs specifically for the leadership team, covering important topics to enhance their skills and competencies. The key training sessions covered important topics such as the Code of Conduct, which focused on corporate governance and good corporate citizenship. Additionally, the sessions addressed the Company's whistleblower policy and its sustainability policies.	100
Employees other than BODs and KMPs	40 sessions covering 35 topics	The Company places great emphasis on employee learning and development. The employees undergo various training/ awareness sessions such as induction training at the time of joining, safety training, technical and compliance training during employment. During FY 24 periodic awareness programs on topics like ESG, Code of Conduct, sexual harassment, Insider trading, Vigil mechanism, etc were conducted by the Company.	85
Workers	400 sessions Around 30 topics regularly covered	Safety training is provided to the workers on a continuous basis. Additionally, the Company has developed special training programs for the workers to enhance their skills. The key topics covered in such trainings are Job specific training, Safety and quality training, 5S etc.	90

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has an anti-corruption and anti-bribery policy, which is applicable to all its subsidiaries across the globe. The policy emphasises our zero-tolerance approach towards corruption and bribery. The policy also provides information and guidance on how to recognize and deal with bribery and corruption issues. As a part of our training on the Code of Conduct, training is also imparted to employees on Anti-Corruption and Anti-bribery topics. The weblink for this policy is: bit.ly/3KXPVk1

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 24 Current Financial Year	FY 23 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Topic	FY 2024 Current Financial Year		FY 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as we do not have any instances of corruption/conflicts of interest against Directors and KMPs.

8. **Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format :**

	FY 24	FY 23
Number of days of accounts payable	43	39

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 24	FY 23
Concentration of Purchases	a. Purchases from trading houses* as % of total purchases	26	28
	b. Number of trading houses where purchases are made from	67	71
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	83	84
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	24	27
	b. Number of dealers / distributors to whom sales are made	316	342
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	40	36
Share of RPTs** in	a. Purchases (Purchases with related parties / Total Purchases)	13	8
	b. Sales (Sales to related parties / Total Sales)	15	12
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	86	90
	d. Investments (Investments in related parties / Total Investments made)	50	69

* We have classified all the Vendors other than Manufacturers as Trading Houses.
**Related party transactions are as per the standalone financial statements of the Company.

Leadership Indicator

1. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, Solar has Code of Conduct and Corporate Governance Policies which provide a framework for ethical behavior and effective management of conflicts with various entities or individuals, ensuring accountability and transparency in all dealings. To prevent any conflict between personal interests and the interests of the Company, the board of directors and senior management ensure that they disclose any involvement they may have, either directly or indirectly, in company transactions to the board on a regular basis. In case of any actual or potential conflicts of interest, the concerned Director is required to immediately report such conflicts and seek approvals as required by the applicable law and under Company's policies.

The Company receives an annual declaration from its Board of Directors and all employees confirming adherence to the Code of Conduct, which includes the provisions on dealing with conflict of interest.

The Company has in place the 'Policy on Related Party Transactions', which are applicable to our board members. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain from the discussions at the meeting.

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 24	FY 23	Details of improvement in social and environmental aspects
R&D	-	-	Nil
CAPEX	-	-	Nil

Solar conducts R&D linked to environmental and social Initiatives, however currently the expenditures are not tracked.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Yes, the Company upholds the Supplier Code of Conduct aimed at fostering sustainability within the supply chain, extending commitment beyond manufacturing facilities in selecting suppliers for major raw materials. Vendor selection and onboarding process includes an assessment of environmental compliance encompassing adherence to applicable Regulations. The Company prioritizes those who demonstrate a dedication to responsible practices and sustainable sourcing and comply with the mentioned Regulations.

   In FY 2023-24, 51% of inputs were sustainably sourced who are either covered by the company's sustainable sourcing programs and/or are certified to be compliant with social and environmental standards such as SA 8000, ISO 14001, OHSAS 18001 or relevant labels like Rainforest Alliance, Rugmark, Roundtable on Sustainable Palm Oil (RSPO) etc.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

In compliance with the Explosives Rules of 2008, and as per the guidelines set forth by the Petroleum & Explosives Safety Organization, reuse or recycling is not permissible for the Company's products due to its explosive nature. However, project and operation sites implement systems for recycling, reusing, and disposing of waste generated during construction and operations in accordance with Regulations. Rejected or obsolete products are reclaimed and disposed of as per Regulatory requirements.

Additionally, the Company prioritizes environmental responsibility by adopting a sustainable approach to manage packaging materials. Predominantly corrugated fibre board boxes are collected from customer sites by local vendors and sold to paper board recyclers, ensuring responsible disposal and recycling in line with broader environmental stewardship objectives.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
	Not Applicable	

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains.

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	871	871	100	871	100	-	-	871	100	871	100
Female	58	58	100	58	100	58	100	-	-	58	100
Total	**929**	**929**	**100**	**929**	**100**	**58**	**6.24**	**871**	**93.76**	**929**	**100**
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total											

B. Details of measures for the well-being of workers:

Category	Total (A)	% of Workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	937	937	100	937	100	-	-	937	100	937	100
Female	20	20	100	20	100	20	100	-	-	20	100
Total	**957**	**957**	**100**	**957**	**100**	**20**	**2.09**	**937**	**97.91**	**957**	**100**
Other than Permanent Workers											
Male	1907	1907	100	1907	100	-	-	1907	100	1907	100
Female	745	745	100	745	100	745	100	-	-	745	100
Total	**2652**	**2652**	**100**	**2652**	**100**	**745**	**28.09**	**1907**	**71.91**	**2652**	**100**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 24 Current Financial Year	FY 23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.2	0.12

2. **Details of retirement benefits, for Current FY and Previous FY :**

S. No.	Benefits	FY 2024			FY 2023		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100	100	Yes	100	100	Yes
2	Gratuity	100	100	Yes	100	100	Yes
3	ESI	37	93	Yes	35	97.78	Yes
4	Others-Please Specify	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces:**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company ensures that employees and workers with disabilities have access to necessary infrastructure and amenities to perform their duties safely and effectively.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has policy on Diversity Equity and inclusion.

Link: https://bit.ly/policyEWB

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Nil	Nil
Female	100%	100%	Nil	Nil
Others	NA	NA	NA	NA
Total	100%	100%	Nil	Nil

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes, the Company has a well-structured grievance redressal mechanism that accommodates the grievances of the employees and workers (permanent and other than permanent). Employees are encouraged to voice their grievances directly to their departmental head or Human Resource representative as the initial point of contact to arrive at a solution before accessing formal redressal mechanism. Workers are encouraged to channel their concerns through their respective supervisors so that the grievances are addressed promptly, ensuring transparency and fairness throughout the redressal process.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievance Redressal Policy
Other than Permanent Workers	Yes, Grievance Redressal Policy
Permanent Employees	Yes, Grievance Redressal Policy
Other than Permanent Employees	Yes, Grievance Redressal Policy

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024			FY 2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in spective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	871	-	-	732	-	-
Female	58	-	-	58	-	-
Total	**929**	**-**	**-**	**790**	**-**	**-**
Permanent Workers						
Male	937	937	100	959	959	100
Female	20	20	100	32	32	100
Total	**957**	**957**	**100**	**991**	**991**	**100**

8. Details of training given to employees and workers:

Category	FY 2024					FY 2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	871	871	100	871	100	732	732	100	732	100
Female	58	58	100	58	100	58	58	100	58	100
Total	**929**	**929**	**100**	**929**	**100**	**790**	**790**	**100**	**790**	**100**
Workers										
Male	937	937	100	937	100	959	959	100	959	100
Female	20	20	100	20	100	32	32	100	32	100
Total	**957**	**957**	**100**	**957**	**100**	**991**	**991**	**100**	**991**	**100**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	871	871	100	732	732	100
Female	58	58	100	58	58	100
Total	**929**	**929**	**100**	**790**	**790**	**100**
Workers						
Male	937	937	100	959	959	100
Female	20	20	100	32	32	100
Total	**957**	**957**	**100**	**991**	**991**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). What is the coverage of such system?

Yes, the Company maintains a robust Environmental, Health, and Safety (EHS) function, governed by a standardized EHS policy applied consistently across all manufacturing facilities, corporate offices. Further all key manufacturing facilities are certified with the ISO 45001:2018 .

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes, The Company believes that safe & healthy workplace is a prerequisite for employee wellbeing. It has implemented an Occupational health and management safety system. It promotes the culture of Safety through various training programs while continuously investing in state-of- the- art technology to meet the highest level of safety parameters.

The Company has been conducting HIRA and HAZOP studies to identify the risks related to operations. To prevent the potential hazards, monitoring is done for near miss incidents, unsafe acts and unsafe conditions. Mock drills are conducted to check the effectiveness of the implemented measures.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, A system is in place to spot and report the work-related hazards. The Company has an online incident reporting system that enables us to monitor any incidents that occurred across the manufacturing facilities. Based on these reports, Corrective and Preventive Action (CAPA) reports are issued to all Concerned heads/ individuals. This helps us to prevent similar incidents from occurring in the future. Training and proper PPEs are being provided to the employees and workers to prevent any safety incidents.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, The Company has an Occupational Health Centre equipped with all the basic amenities where full-time Doctor(s) are available and have ambulance facilities. Additionally, employees, workers and their immediate family members have medical insurance coverage or are eligible for ESI benefits, which covers hospitalization expenses for any medical conditions.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 24	FY 23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.44	-
	Workers	0.91	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	1	-
	Workers	8	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

Note : - We have considered the total number of reportable lost time injuries for calculating LTIFR.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

In accordance with the Company's Environment, Health, and Safety Policy, a range of proactive measures are implemented to ensure a safe and healthy work environment for all employees and workers. Additionally, the Company also prioritizes investment in cutting-edge technologies and processes to uphold health and safety standards

i. **Conducting Comprehensive Studies and Surveys:**

The Company conducts various studies such as Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Studies (HAZOP), and fire risk assessments to systematically identify process safety hazards and implement effective controls.

ii. **Implementing Safety Management Systems:**

The Company adheres to a robust health and safety management system across all key manufacturing facilities, aligned with ISO 45001 - the globally recognized International Standard for Occupational Health and Safety. This system encompasses entire workforce, including contractor personnel such as drivers, cleaners, visitors etc.

iii. **Prioritizing Training:**

Emphasizing a Behavior-Based Safety Management approach, the Company fosters a culture of safety consciousness and adherence to safe practices. Regular training sessions are provided to equip employees with essential safety skills, encompassing first aid, firefighting, onsite emergency protocols, HIRA, and HAZOP methodologies.

iv. **Promoting Safety Awareness:**

In addition to training initiatives, the Company celebrates Safety Week and organizes competitions. The objective is to foster a collective commitment to working safely and promoting a positive safety culture among all stakeholders.

13. Number of Complaints on the following made by employees and workers:

The Company has not received any complaint on "Health & Safety" and "Working Conditions" in FY24 and FY23. However, the Company encourages its employees and contractor workers to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action.

Topic	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

Topic	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

i. The Company conducts thorough investigations into all safety-related accidents and shares the insights across the organization. This helps to ensure that corrective actions are taken to prevent the recurrence of such incidents. The effectiveness of these corrective actions is evaluated during safety audits.

ii. Significant risks and concerns identified through assessments of health and safety practices are addressed through various means, including the elimination of manual tasks through the adoption of technology and digitization, enhancing safety capabilities through training and development, and implementing robust monitoring and supervision mechanisms.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of?

All the employees and workers of the Company are covered under the life insurance policy. Additionally, employees are entitled to Mediclaim policy and workers are covered under the ESIC policy. In the event of death, the Company, over and above the insurance, also provides financial support to the bereaved families.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions entered with its value chain partners are deducted and deposited in accordance with applicable laws.

3. Provide the number of employees/ workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 24	FY 23	FY 24	FY 23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes, the Company extends support to employees during retirement or termination of their employment by providing them assistance such as training, counselling on transitioning to a non-working life etc. Through dedicated programs, the Company equips individuals with tailored training initiatives, empowering to make informed decisions regarding their financial planning needs.

PRINCIPLE 4:

Businesses should provide goods and services in a manner that is sustainable and safe.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company recognizes individuals or groups who have a vested interest in, or are impacted by, or add value to the business activities as key stakeholders. These stakeholders include customers, investors, lenders, vendors, government agencies, shareholders, media, regulators, value chain partners, employees, and society. The Company places great importance on listening to its stakeholders and has set up multiple touchpoints and communication tools to promote fair engagement. Please refer to the stakeholders' section in Integrated Annual Report 2024.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Solar believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Refer stakeholders' engagement section on page no. 20 of Integrated Annual Report FY 24 for further details.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	• Reports • One-to-one Interaction • Events • E-mail communication • Letters	Engagement as per need	• Compliance with industry norms, laws and regulations in substance and spirit • Transparent Disclosers • Participation in various industry forums and meets. • Collaboration on national agenda such as Make in India
Employees	No	• Employee Engagement surveys • Joint Consultation system • Grievance mechanism • Rewards and Recognition • Face to Face interactions • Cultural events • Training and Workshops.	Annually, Periodic, event based, continuous	• Employee well-being and safety • Fair wages and compensations per industry standards • Learning and Development • Occupational health and safety • Growth opportunities • Talent and skill management • Diversity and inclusion • Job security
Customers	No	• One-to-One Interactions • Site-Visits • Customer Meeting • E-mails • Feedback mechanism-Online Survey • Digital channels • Trial and improvement programs	Continuous , Periodic, Need based, Annually	• Product safety quality reliability • Confidentiality in case of Sensitive Contracts • Operational efficiency • Innovative products

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Business partners	No	• E-mail communication • Site Visits • One-to-One Interactions • Business partner survey • Structured meetings	Annually, Need based, Continuous, Periodic	• Timely payments • Fair and long-term business relations • Capacity building • Transparency • Value Creation
Communities	Yes*	• CSR initiatives • Face to face interaction • Field visits • Collaborations through NGO's	Engagement as per need	• Upliftment of society • Live hood opportunities • Health and sanitation initiatives
Shareholders and Investors	No	• Annual general meeting • Conference call • News channels • Investor Grievance redressal mechanism • Annual report • Press release • Website updates • Stock Exchange releases	Quarterly, Annually, periodic Event based	• Consistent, competitive and profitable growth and returns. • Consistent dividend pay-outs. • Superior stakeholder returns through optimal utilization of resources. • Better disclosures, transparency and credibility of financials • Effective risk management • Wealth creation • Sound governance practices.
Media	No	• Newspaper • Pamphlets • Advertisement • Press Release	Event Based	• Growth, • Awareness • Public Image

*The Company undertakes various CSR activities for the local communities. The majority of beneficiaries of these CSR activities can be termed as vulnerable or marginalized.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Respective business / functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable. They act as a link between the Board & Stakeholders and are responsible for seeking feedback, inputs, suggestions from the Board on ESG topics. The respective heads take initiative on prioritising our strategies, and action plans to address our economic, environmental, and social impacts.

   Materiality Assessment is one of the ways of identifying material issues along with ESG issues in consultation of various stakeholders. This is done though circulating questionnaire among stakeholders to assess and rank the relative importance of selected ESG topics. The outcome of the assessment is plotted on the graph so as to focus ESG initiatives and building out a comprehensive strategic framework. We did this Materiality assessment in the year 2022.

   We have different committees which take care of matters related to different stakeholders including ESG topics & inform the board about the updates. Viz, Risk Management Committee (RMC), Corporate Social Responsibility Committee (CSR), etc.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Materiality Assessment was done in FY 2022. In consultation with stakeholders, we identified the material issues. After taking poll, issues were prioritised & plotted on a graph. This helped us formulating time bound ESG targets, short term/long term plans and goals with a monitoring mechanism.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company identifies the need of communities including vulnerable and marginalised groups and accordingly works on various programs through Corporate Social Responsibility initiatives. The initiatives undertaken by the Company under the thrust areas of Corporate Social Responsibility initiatives are undertaken after assessing the need of the communities including the vulnerable/marginalised stakeholder groups and other members of the community. The Company has undertaken the initiatives like provision of low-cost medical facilities for such classes of people, Skill development programme for Women, Infrastructural development of Schools for underprivileged children etc.

PRINCIPLE 5:

Businesses should respect and promote human rights

Respecting human rights is fundamental to our values, policies and business strategy. The Company is determined to have a workplace where everyone is treated equitably, without any discrimination based on gender, caste, creed, or religion

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024			FY 2023		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Male	871	871	100	732	732	100
Female	58	58	100	58	58	100
Total	**929**	**929**	**100**	**790**	**790**	**100**
Other than Permanent Employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Workers						
Male	937	937	100	959	959	100
Female	20	20	100	32	32	100
Total	**957**	**957**	**100**	**991**	**991**	**100**
Other than Permanent Workers						
Male	1907	1907	100	1893	1893	100
Female	745	745	100	643	643	100
Total	**2652**	**2652**	**100**	**2536**	**2536**	**100**
Grand Total	**4538**	**4538**	**100**	**4317**	**4317**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024					FY 2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	871	-	-	871	100	732	-	-	732	100
Female	58	-	-	58	100	58	-	-	58	100
Total	**929**	**-**	**-**	**929**	**100**	**790**	**-**	**-**	**790**	**100**
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Permanent Workers										
Male	937	-	-	937	100	959	-	-	959	100
Female	20	-	-	20	100	32	-	-	32	100
Total	**957**	**-**	**-**	**957**	**100**	**991**	**-**	**-**	**991**	**100**
Other than Permanent										
Male	1907	-	-	1907	100	1893	-	-	1893	100
Female	745	-	-	745	100	643	-	-	643	100
Total	**2652**	**-**	**-**	**2652**	**100**	**2536**	**-**	**-**	**2536**	**100**
Grand Total	**4538**	**-**	**-**	**4538**	**100**	**4317**	**-**	**-**	**4317**	**100**

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	718339	-	-
Key Managerial Personnel	*4	354895	2	240643
Employees other than BoD and KMP	867	33320	56	30000
Workers	937	14215	20	12398

*Key Managerial Personnel includes Board of Directors.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 24 Current Financial Year	FY 23 Previous Financial Year
Gross wages paid to females as % of total wages	7.42	5.58

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Solar has constituted the Sustainability Compliance Review Committee (SCRC) which is responsible to address grievances related to human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a Human rights policy that guides in case of any grievance reported related to Human rights, evaluation is carried out basis which remediation action is planned by Human Resource Department.

The Company has adopted employee-oriented policies covering areas such as Human Rights Policy, Diversity, Equity and Inclusion Policy, Code of Conduct and Business Ethics, Whistle Blower Policy and prevention of sexual harassment at workplace, which endeavors to provide an environment of care, nurturance and opportunity to accomplish professional aspirations and provide a safe redressal mechanism for employee grievances. With regards to internal mechanisms centered around the policies, the head of Human Resources function ensures that all employee-related grievances are suitably investigated, and action is taken as per due process stipulated in the respective redressal policies. Anonymous grievances are also investigated appropriately.

6. Number of Complaints on the following made by employees and workers:

Topic	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 24	FY 23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company maintains a zero-tolerance against Sexual Harassment and Discrimination. For grievances pertaining to sexual harassment, the Internal Complaints Committee (ICC) is constituted in line with the provisions of The Sexual Harassment of Women at Workplace. The Cases related to the prevention of sexual harassment at workplace are treated with utmost sensitivity and in a confidential manner.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human rights requirements forms a part of the company's agreements and Contracts.

10. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100
Forced/involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable, as no human rights violations were reported during FY 24.

PRINCIPLE 6:

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

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 24	FY 23
From renewable sources		
Total electricity consumption (A) (GJ)	13,587	11,944
Total fuel consumption (B) (GJ)	1,68,102	1,43,160
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	**1,81,689**	**1,55,104**
From non-renewable sources		
Total electricity consumption (D) (GJ)	71,373	65,650
Total fuel consumption (E) (GJ)	5,31,613	5,11,906
Energy consumption through other sources (F) (GJ)	0	
Total energy consumed from non-renewable sources (D+E+F) (GJ)	**6,02,986**	**5,77,556**
Total energy consumed (A+B+C+D+E+F) (GJ)	**7,84,675**	**7,32,660**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from perations)	211.07	176.03
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	4,424.13 GJ/ ₹Crores	3,689.49 GJ/ ₹Crores
Energy intensity in terms of physical output	1.55 GJ/MT	1.62 GJ/MT
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (a.) If yes, disclose whether targets set under the PAT scheme have been achieved. (b.) In case targets have not been achieved, provide the remedial action taken, if any.

PAT scheme is not applicable to the Company.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 24	FY 23
Water withdrawal by source (in kiloliters)		
(i) Surface water	13,094	27,159
(ii) Groundwater	4,80,042	4,55,980
(iii) Third party water	35,827	23,624
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater storage)	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**5,28,963**	**5,06,763**
Total volume of water consumption (in kiloliters)	5,28,963	5,06,763
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	142.29	121.75
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	2,982.38 KL/ ₹Crores	2,551.93 KL/ ₹Crores
Water intensity in terms of physical output	1.04 KL/MT	1.12 KL/MT
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

4. Provide the following details related to water discharged :

Parameter	FY 24	FY 23
Water discharged by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

Note : The Company does not discharge any water from its operations; however, it will improve its tracking of wastewater generated as part of the sewage system in smaller facilities.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The company implements various tertiary treatment measures to achieve Zero Liquid Discharge (ZLD), such as:

1. Effluent Treatment Plant (ETP 350 CMD) facility, which includes primary, secondary, and tertiary treatment for all product processes.
2. Multi Effect Evaporation Plant with a capacity of 100 KLD, aimed at achieving ZLD.
3. Sewage Treatment Plant (STP 150 CMD & 10 CMD) utilizing UF technology for sewage effluent treatment and recycling, specifically for garden.
4. Hilltop ETP (15 CMD) employing a Neutralization System for treated water recycling back to the process plant.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 24	FY 23
NOx	MT/A	9.27	8.69
SOx	MT/A	10.24	15.79
Particulate matter (PM)	MT/A	5.98	7.34
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

a. **Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N).**

No, The Company has not undergone any third-party assessment.

b. **If yes, name of the external agency.**

Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 24	FY 23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	49,286	45,830
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	14,195	13,039
Total Scope 1 and Scope 2 emissions (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e	17.08	14.14
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		357.92	296.45
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.13	0.13
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity.	-	NA	NA

Note: Total Biogenic emissions due to biomass for FY 2023-24 is 18,827 tonnes.

Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Yes, the Company initiatives are aligned with emissions management towards minimising carbon footprint. Some of the initiatives are as follows:

Renewable Solar Power Plant: The implementation of a 3.12 MW renewable solar power plant to reduce the dependency on traditional electricity sources.

Sustainable Refrigerant Conversion Initiative: The Company is progressing towards transitioning chiller systems from R22 to environmentally friendly alternatives, specifically R134A and R404A. Across plant locations, 13 out of a total of 15 chillers have successfully undergone this conversion, marking a substantial milestone.

Replacement of Centrifugal Pumps and Motors: The Company is upgrading to energy-efficient centrifugal pumps and motors, to substantially gain in energy conservation.

Transition to Solar-Powered Outdoor Lights: The replacement of conventional outdoor sodium lamps with solar-powered lighting solutions to reduce energy consumption and mitigate CO2 emissions, reinforcing dedication to environmentally sustainable practices.

Electric/Hybrid Vehicle Transition: The transition of vehicles used in support functions to electric or hybrid models to signify commitment to sustainable transportation practices.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 24	FY 23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	576.439	581.681
E-waste (B)	1.591	4.05
Bio-medical waste (C)	0.003	0.003
Construction and demolition waste (D)		0
Battery waste (E)	2.42	0.83
Radioactive waste (F)		0
Other Hazardous waste. Please specify, if any. (G)	1,164.11	1,113.10
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	4,782.07	3,885.50
Total (A+B + C + D + E + F + G+ H)	**6,526.63**	**5,581.11**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	1.76 MT/₹Crores	1.34 MT/₹Crores
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	36.80 MT/₹Crores	28.13 MT/₹Crores
Waste intensity in terms of physical output	0.01 MT/MT	0.01 MT/MT
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste reused/ recycled/ recovered by nature of disposal method (MT)

Parameter	FY 24				FY 23			
	Recycled	Reused	Other Recovery Operations	Total	Recycled	Reused	Other Recovery Operations	Total
Plastic waste (A)	-	-	-	-	-	-	-	-
E-waste (B)	-	-	-	-	-	-	-	-
Bio-medical waste (C)	-	-	-	-	-	-	-	-
Construction and demolition waste (D)	-	-	-	-	-	-	-	-
Battery waste (E)	-	-	-	-	-	-	-	-
Radioactive waste (F)	-	-	-	-	-	-	-	-
Other Hazardous waste. Please specify, if any. (G)	-	531.42	-	531.42	-	535.44	-	535.44
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-	-	-	-	-	-	-
Total Waste Recovered (A+B + C + D + E + F + G + H)	**-**	**531.42**	**-**	**531.42**	**-**	**535.44**	**0**	**535.44**

For each category of waste generated, total waste disposed off by nature of disposal method (MT)

Parameter	FY 24				FY 23			
	Incineration	landfilling	other disposal Operations	Total	Incineration	landfilling	other disposal Operations	Total
Plastic waste (A)	-	-	-	-	-	-	-	-
E-waste (B)	-	-	-	-	-	-	-	-
Bio-medical waste (C)	-	-	-	-	-	-	-	-
Construction and demolition waste (D)	-	-	-	-	-	-	-	-
Battery waste (E)	-	-	-	-	-	-	-	-
Radioactive waste (F)	-	-	-	-	-	-	-	-
Other Hazardous waste. Please specify, if any. (G)	-	3,512.19	1538.59	5,050.78	124.64	3266.14	83.56	3474.34
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-	-	-	-	-	-	-
Total Waste Recovered (A+B + C + D + E + F + G + H)	**-**	**3,512.19**	**1,538.59**	**5050.78**	**124.64**	**3266.14**	**83.56**	**3474.34**

Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

10. a. Briefly describe the waste management practices adopted in your establishments.

The Company has in place robust standard to ensure proper waste handling, aligning closely with regulations and guidelines set by the Central/ State Pollution Control Boards (CPCB/ SPCB). Embracing the concept of circular economy - Reduce, Reuse, and Recycle –to minimize the waste by using alternative raw materials, optimizing consumption, and improving process efficiency to ultimately reduce dependency on virgin resources. The Company diligently segregate waste at the source into hazardous and non-hazardous categories and have partnered with authorized agencies for managing the waste.

b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have adopted several ways to minimize the waste, such as, using alternative raw materials, optimizing the consumption, improving the process efficiency, etc.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No, there were no Environmental Impact Assessments of projects that were undertaken during the reporting period.

13. a. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

Yes, The Company is compliant with the stated laws.

NA

b. If not, provide details of all such non-compliances, in the following format:

Not Applicable

Leadership Indicators

1. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Type	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Food Waste	Food waste converted into compost	Organic Composting machine placed	Compost use in garden
2	Hazardous Waste	Hazardous waste converted into Non-Hazardous	Equipment/ Decontaminated chamber is in place	Reduction in Contamination due to Hazardous waste
3	Energy	VFD Based compressor	Unloading operation avoided & maintain the pressure at minimum frequency	Power consumption reduction
4	Emission	Biomass (Briquettes) use instead of coal		CO_2 reduction
5	Water	MEEP water consume in cooling tower	Recycle the treated effluent	Reduction in Fresh Water Consumption

2. a. **Does the entity have a business continuity and disaster management plan?**

Yes, Solar has prepared Business Risk & Opportunity Register and Onsite / Off Site Emergency Management Plan.

b. **Give details in 100 words/ web link.**

Business Risk & Opportunity Register prepared to address risks and mitigation action plan. Emergency management plan (EMP) is an important element of Safety Management System and is required to be implemented in compliance with MAH units.

The Emergency Management Plan (EMP) has been developed with the goal to establish a comprehensive system and allocate resources to address any potential emergencies that may impact individuals, assets, or the environment. This system is designed to minimize adverse consequences on people, property, and the ecosystem. The Company is committed to prioritizing the safety of its employees and ensuring compliance with all regulatory obligations. By fulfilling these objectives, the Company can effectively manage emergencies and mitigate their impact, safeguarding the well-being of individuals and protecting valuable assets and the environment.

PRINCIPLE 7:

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a) **Number of affiliations with trade and industry chambers/ associations.**

The Company is associated with 7 trade and industry chambers/ associations.

b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

List of key trade and industry chambers/ associations

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Society of Indian Defence Manufacturers	National
4	PHD Chamber of Commerce and Industry	National
5	Bharat Shakti	National
6	Vidarbha Industries Association	National
7	Quality Circle Forum of India (QCFI)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity: NA**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During FY 2023-24, we have not undertaken any projects that require Social Impact Assessments (SIA).

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

During FY 2023-24, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs inthe FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed to developing communities around our sites and redressing their grievances and concerns. Our people regularly engage with communities living around the sites to understand their concerns, and in case of a specific grievance, it is investigated, and acted upon.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers :

	FY 24	FY 23
Directly sourced from MSMEs/ Small producers	17.95	13.90
Directly from within India	81.35	79.61

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost)

Location	FY 24	FY 23
Rural	66.32	69.60
Semi-urban	4.17	3.61
Urban	6.33	6.80
Metropolitan	23.18	19.99

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Our suppliers are selected based on their performance on various parameters and standards including cost, quality, delivery, technology, and sustainability. Before being awarded a project, all suppliers must comply with the established sourcing guidelines.

(b) From which marginalized /vulnerable groups do you procure?

Not applicable as answer to above question (a) is "No"

(c) What percentage of total procurement (by value) does it constitute?

Not applicable as answer to above question (a) is "No"

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Solar has a robust Customer Relationship Management (CRM) system in place. Customers can raise their concerns through the CRM system and track their resolution status. Solar places a high priority on addressing customer concerns in a timely and efficient manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

information related to	As a percentage to total turnover
Environment and Social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 24			FY 23		
	Received during the year	Pending resolution at the end of year	Remark	Received during the year	Pending resolution at the end of year	Remark
Data privacy	-	-	NA	-	-	NA
Advertising	-	-	NA	-	-	NA
Cyber-security	-	-	NA	-	-	NA
Delivery of essential services	-	-	NA	-	-	NA
Restrictive Trade Practices	-	-	NA	-	-	NA
Unfair Trade Practices	-	-	NA	-	-	NA
Others			NA			NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Solar has a comprehensive policy on data privacy. The Company is committed to providing the highest level of protection regarding the processing of its employees', vendors' and clients'/customers' personal data based on applicable data protection laws and regulations.

The policy is located within the Company's intranet for security and confidentiality reasons.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

In FY 24, there were no reported instances of issues regarding advertising, delivery of essential services, cyber security, data privacy of customers or product recalls. We have adhered to best practices in security. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil, there were no instances of reportable data breaches

b. Percentage of data breaches involving personally identifiable information of customers

Nil, there were no instances of reportable data breaches

c. Impact, if any, of the data breaches

Not Applicable.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the product information with Technical Safety Data Sheets are available on our Company's website www.solargroup.com. Customer's specifically requesting copies of the same are forwarded through e-mail or in a physical copy.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We understand the importance of providing accurate and transparent product information to our customers. TDS are made available with the product which is also available on the Company's website. Regular interaction with customers is done by our technical team and various trainee programs are conducted to educate on safe and efficient use of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At Solar, we do not deal with any essential services. However, in case of any disruption, we can disseminate information through our website, various mass media platforms, social media platforms, distribution networks, sales representatives, and e-mails.

4 A. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, The Company ensures strict adherence to all the applicable regulations for product information and labeling. All the critical products are supplied with safety instructions highlighting the Do's and Don'ts while handling the products.

B. Did your entity carry out any survey about consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, Solar conducts customer satisfaction surveys to improve its services and to meet the customer's expectations.

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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 material 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, 2024, 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, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.2 (j) of the standalone financial statements)	
Revenue from sale of goods is recognized as outlined in note 18 of the standalone financial statements. The Company estimates provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customers' site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales for the period.	Our audit procedures included, among others the following: • Evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). • Assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision. • Read the agreement with customers for validating terms relating to powder factor.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>As at March 31, 2024, the Company is carrying a powder factor provision of ₹ 29.98 crore.

This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.</td><td>• Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions.
• We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision.
• Evaluated the historical trend against the actual powder factor deduction.
• Assessed and read the disclosures made by the Company in the standalone financial statements.</td></tr>
<tr><td colspan="2">Carrying value of trade receivables (as described in note 2.2(i)(4) of the standalone financial statements)</td></tr>
<tr><td>As at March 31, 2024, trade receivables constitutes approximately 19% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables.

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.

This is a key audit matter as significant judgement is involved to establish the provision matrix.

The trade receivables balance, credit terms and aging as well as the Company's policy on impairment of receivables have been disclosed in note 7 to the standalone financial statements.</td><td>Our audit procedures included, among others the following:
• Evaluated the Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 - Financial Instruments.
• Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss.
• Evaluated management's assumption and judgment relating to various parameters which included the historical default rates and business environment in which the entity operates for estimating the amount of such provision.
• Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables.
• Assessed and read the disclosures made by the Company in the standalone financial statements.</td></tr>
<tr><td colspan="2">Fair Valuation of Non-current Investments (as described in note 2.2 (y) of the standalone financial statements)</td></tr>
<tr><td>The Company has classified certain investment amounting to ₹ 121.61 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market.

The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs.

Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</td><td>Our audit procedures included, amongst others the following:
• Obtained and read the fair valuation reports provided by the management by involvement of external valuation experts.
• Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts.
• Involved internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value.
• Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts.
• Assessed the objectivity and competence of our internal expert and Company's external specialists involved in the process.
• •Assessed and read the disclosures made by the Company in the financial statements.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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, except for the matters stated in the paragraph (vi) below on reporting under Rule 11(g);

   (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g);

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 11B to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes, if any, made using privileged/administrative access rights, as described in note 39 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEY5446

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGEC3723

Place: Nagpur
Date: May 16, 2024

Annexure 1 to the Independent Auditor's Report of even date on the Standalone IND as Financial Statements of Solar Industries India Limted

(Referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (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.

(i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in note 3A to the financial statements are held in the name of the Company except one immovable property as indicated in the below table for which title deeds are not in the name of the Company:

Description of property	Gross carrying value (₹ crores)	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate	Reason for not being held in name of company
Protected forest land located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur.	10.36	Revenue and Forest Department – Govt. of Maharashtra	No	Since 01.01.2020	Protected forest land

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(ii) (b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of account of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

Particulars	Loans	Security	Guarantee
Aggregate amount granted/Provided during the year	204	-	31
Subsidiaries	204	-	31
Associate	-	-	-
Others	-	-	-
Balance O/s as at balance sheet date			
Subsidiaries	357	-	776
Associate	-	-	-
Others	-	-	-

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to Limited Liability Partnerships or any other parties.

(iii) (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.

(iii) (c) In respect of loans granted to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

(₹ in crore)

Name of the Entity	Amount	Due date	Date of payment	Extent of delay	Remarks, if any
Emul Tek Private Limited	0.61	May 30, 2023	July 10, 2023	41 days	Interest payment delayed
Solar Explochem Limited	0.29	May 30, 2023	August 02, 2023	64 days	

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable. Further, where loans, investments, guarantees and security in respect of which provisions of sections 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacture of industrial explosive and explosive initiating device, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of the dues	Amount (₹ in Crore)	Amount deposited under protest (₹ in Crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	3.37	0.20	2000-2008	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	1.16	-	2007-2009	Commissionerate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.68	0.03	2015-2017	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	0.65	0.31	2018-19	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	0.03	0.11	2017- 2018	Tribunal
Goods and Service Tax Act, 2017	Demand of VAT	7.84	-	2017-2021	Commissionerate
Goods and Service Tax Act, 2017	Demand of transitional credit (including penalty)	0.01	-	2017-18	Commissionerate
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	9.93	1.95	2012-2018	Tribunal
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.86	0.03	2013-2017	Commissionerate
Employee Provident Fund	Demand of Provident Fund Contribution	0.15	0.15	2015-2017	Appellate Authority
State Sales Tax Act	Demand of VAT	0.43	0.07	2013-2016	High Court
The Customs Act, 1962	Demand of Custom Duty	2.09	2.09	2021-2022	Commissioner (Appeals)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In the case of loan from wholly owned subsidiary company, the Company has defaulted in payment of interest during the year, the details whereof are as follows:

(₹ in crore)

Nature of borrowing, including debt securities	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Inter Corporate Loan	1.90	Interest	61 days	Already paid

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained.

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)/(b)/(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25(b) to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25(b) to the financial statements.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEY5446

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGEC3723

Place: Nagpur
Date: May 16, 2024

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, 2024 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEY5446

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGEC3723

Place: Nagpur
Date: May 16, 2024

Balance Sheet

as at March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	798.86	769.24
Capital work in progress	3A	217.23	76.04
Intangible assets	3B	6.45	5.73
Intangible assets under development	3B	1.92	2.37
Right-of-use assets	3C	5.93	4.33
Financial assets			
Investments	4	453.89	206.41
Loans	5	244.72	301.16
Other financial assets	6	68.60	100.82
Current tax assets (net)		-	5.20
Other non-current assets	9	39.79	21.23
Total non-current assets		**1,837.39**	**1,492.53**
Current assets			
Inventories	10	264.11	460.05
Financial assets			
Investments	4	213.44	20.00
Trade receivables	7	605.12	539.46
Cash and cash equivalents	8	62.95	58.16
Bank balances other than cash and cash equivalents	8	2.23	2.79
Loans	5	93.83	90.38
Other financial assets	6	90.26	13.38
Other current assets	9	65.92	92.42
Total current assets		**1,397.86**	**1,276.64**
Total assets		**3,235.25**	**2,769.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	2,328.37	1,749.35
Total equity		**2,346.47**	**1,767.45**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	193.05	182.47
Lease Liabilities	3C	4.27	2.48
Deferred tax liabilities (net)	14	131.88	105.65
Total non-current liabilities		**329.20**	**290.60**
Current liabilities			
Financial liabilities			
Borrowings	13	119.43	238.45
Lease Liabilities	3C	0.94	1.04
Trade payables	15		
a) total outstanding dues to micro enterprises and small enterprises		8.08	8.04
b) total outstanding dues to creditors other than micro enterprises and small enterprises		325.37	385.87
Other financial liabilities	16	55.96	38.45
Other current liabilities	17	42.69	34.70
Provisions	17A	4.59	4.57
Current tax liabilities (net)		2.52	-
Total current liabilities		**559.58**	**711.12**
Total liabilities		**888.78**	**1,001.72**
Total equity and liabilities		**3,235.25**	**2,769.17**
Summary of material accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date: May 16, 2024

Statement of Profit and Loss

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	18	3,717.52	4,162.25
Other income	19	58.34	55.84
Total income		**3,775.86**	**4,218.09**
Expenses			
Cost of materials consumed	20	2,048.63	2,796.77
Purchases of stock-in-trade		232.60	213.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	20.22	(5.51)
Employee benefit expense	22	185.51	145.36
Finance costs	23	29.58	27.57
Depreciation and amortisation expense	24	63.37	57.02
Other expenses	25	395.90	383.24
Total expenses		**2,975.81**	**3,618.01**
Profit before tax		**800.05**	**600.08**
Tax expense :			
- Current tax		195.56	142.07
- Adjustment of tax relating to earlier periods		(1.30)	-
- Deferred tax		9.49	12.62
Total tax expense	14	**203.75**	**154.69**
Profit for the year		**596.30**	**445.39**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss in subsequent period			
Remeasurement gain/ (loss) on defined benefit plans		0.16	(0.70)
Income tax effect on defined benefit plans		(0.04)	0.18
Remeasurement gain/ (loss) on Investment in Equity instruments		71.69	32.42
Income tax effect on Investment in Equity instruments		(16.70)	(7.55)
		55.11	**24.35**
Total Other comprehensive income for the year, net of tax		**55.11**	**24.35**
Total comprehensive income for the year		**651.41**	**469.74**
Earnings per equity share (Face Value ₹ 2 per share) (in Rupees)			
Basic and Diluted earnings per share	26	65.90	49.22
Summary of material accounting policies	2.2 and 2.3		

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

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date: May 16, 2024

Statement of Cash Flows

for the period ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	**800.05**	**600.08**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	63.37	57.02
Profit/Loss on Sale of property, plant and equipment (net)	(2.53)	(1.78)
Profit on Sale of Non current assets held for sale	-	(0.57)
Loss on discard of property, plant and equipment (net)	0.17	2.18
Net (gain)/ loss on financial assets measured at fair value through profit and loss	(1.89)	(0.40)
Profit on sale of financial assets carried at fair value through profit and loss	(4.35)	(1.18)
Sales tax mega project (PF Incentive) written off	-	2.03
Interest income	(45.70)	(34.49)
Finance costs	29.58	27.57
Impairment (gain)/ loss on financial assets	2.49	(7.36)
Bad debts written off	0.59	9.62
Advances written off	-	0.66
Provision no longer required written back	(0.01)	(0.49)
Effect of Exchange Rate Change	21.43	(19.34)
Operating profit before working capital changes	**863.20**	**633.55**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(72.94)	(242.84)
(Increase)/Decrease in inventories	195.94	(186.19)
Increase/(Decrease) in trade payables	(61.15)	59.00
(Increase)/ Decrease in other assets	13.85	(2.15)
Increase/(Decrease) in other liabilities	17.35	11.00
Cash generated from operations	**956.25**	**272.37**
Less : Income taxes paid	186.55	139.65
Net cash flows from operating activities	**769.70**	**132.72**
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(240.71)	(170.36)
Proceeds from sale / discard of property, plant and equipment	4.40	4.30
Loan given to related parties	(203.55)	(490.53)
Loan recovered from related parties	73.17	404.47
Investment in subsidiary	(9.45)	(0.05)
Net Proceeds from (Purchase)/ sale of non-current investments	0.57	(27.77)
Net Proceeds from (Purchase)/ sale of current investments	(187.34)	(18.82)
(Investment)/Redemption in fixed deposits	0.57	(0.69)
Interest income received	13.93	28.72
Net cash flows from /(used in) investing activities	**(548.41)**	**(270.73)**
Cash flows from/(used in) financing activities		
Proceeds from long term borrowings	135.00	180.00
Repayment of long term borrowings	(101.08)	(56.09)
Proceeds from / (Repayment of) short term borrowings	(142.36)	142.36
Payment of principal portion of lease liabilities	(1.19)	(1.01)
Interest paid	(34.50)	(24.35)
Dividend paid	(72.37)	(67.87)
Net cash flows used in financing activities	**(216.50)**	**173.04**
Net increase / (decrease) in cash and cash equivalents	**4.79**	**35.03**
Add:-Cash and cash equivalents at the beginning of the year	58.16	23.13
Cash and cash equivalents at end of the year (Refer note 8)	**62.95**	**58.16**

Statement of Cash Flows

for the period ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2023	Cash flows	Other Adjustment	Foreign Exchange Impact	March 31, 2024
Short Term borrowings (Excluding current maturities of long term borrowing)	142.36	(142.36)	-	-	-
Long Term borrowings (Including current maturities of long term borrowing)	278.56	33.92	-	-	312.48
Lease Liabilities	3.52	(1.40)	3.09	-	5.21
Total liabilities from financing activities	**424.44**	**(109.84)**	**3.09**	**-**	**317.69**

Particulars	March 31, 2022	Cash flows	Other Adjustment	Foreign Exchange Impact	March 31, 2023
Short Term borrowings (Excluding current maturities of long term borrowing)	-	142.36	-	-	142.36
Long Term borrowings (Including current maturities of long term borrowing)	154.65	123.91	-	-	278.56
Lease Liabilities	1.33	(1.13)	3.32	-	3.52
Total liabilities from financing activities	**155.98**	**265.14**	**3.32**	**-**	**424.44**

Summary of material accounting policies (Refer note 2.2 and 2.3)

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

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

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date: May 16, 2024

Statement of Changes in Equity

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
As at April 1, 2022 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2023 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2024 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**

B. Other equity

	Reserves and surplus				Other comprehensive income			Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)	Cash flow hedge reserve (Note 11A)	Equity Instrument (Note 11A)	Remeasurement loss on defined benefit plans (Note 11A)	
Balance as at April 1, 2022	**149.13**	**592.58**	**4.29**	**601.61**	**0.03**	**-**	**(0.15)**	**1,347.49**
Profit for the year	-	445.39	-	-	-	-	-	445.39
Transfer from retained earnings	-	-	-	100.00	-	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	-	(100.00)
Other comprehensive income :								
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	-	-	(0.53)	(0.53)
Remeasurement gain/ (loss) on Investment in Equity instruments	-	-	-	-	-	24.87	-	24.87
Transactions with owners :								
Dividend paid	-	(67.87)	-	-	-	-	-	(67.87)
Balance as at March 31, 2023	**149.13**	**870.10**	**4.29**	**701.61**	**0.03**	**24.87**	**(0.68)**	**1,749.35**
Balance as at April 1, 2023	**149.13**	**870.10**	**4.29**	**701.61**	**0.03**	**24.87**	**(0.68)**	**1,749.35**
Profit for the year	-	596.30	-	-	-	-	-	596.30
Transfer from retained earnings	-	-	-	100.00	-	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	-	(100.00)
Other comprehensive income :								
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	-	-	0.12	0.12
Remeasurement gain/ (loss) on Investment in Equity instruments	-	-	-	-	-	54.99	-	54.99
Transactions with owners :								
Dividend paid	-	(72.39)	-	-	-	-	-	(72.39)
Balance as at March 31, 2024	**149.13**	**1,294.01**	**4.29**	**801.61**	**0.03**	**79.86**	**(0.56)**	**2,328.37**

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
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For and on behalf of the Board of Directors of
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Manish Nuwal
Managing Director & CEO
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Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date: May 16, 2024

Place: Nagpur
Date: May 16, 2024

Place: Nagpur
Date: May 16, 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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 material 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) from time to time as presentation requirement of division II of schedule III to the companies act 2013.

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 material accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Know how/ TOT/Intangible Assets is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Company's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 25	15 to 20
Electrical installations and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	8 to 10	10
Vehicles	8 to 10	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Company's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including provision on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets'.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost, less impairment loss (if any) as per Ind AS 27 – Separate Financial Statements. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

B. Equity instruments

B.1 Fair value through OCI:

Upon initial recognition, the Company can elect to classify irrevocably its equity investments

Notes to Standalone Financial Statements

for the year ended March 31, 2024

as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortized cost

Measurement

A. Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

B. **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3. **Derivative financial instruments and hedge accounting**

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-120 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

- **Volume rebates and discounts**

  The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

- **Other deductions**:

  The Company accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site etc. The aforesaid charges are deducted by the customer, and are deducted from consideration from sale of product which is disclosed in reconciliation of contract price with revenue.

2. **Significant financing component**

In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

- **Sale of projects:**

  Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

- **Interest Income:**

  Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

- **Dividend:**

  Dividend income is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of revenue recognition in note no 2.2 (j) for initial recognition and financial assets in note no. 2.2 (i) (1) Financial instruments – 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

(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

(i) 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. 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.

(ii) Provision for Inventory

The Company maintains a policy for provisioning based on shelf life and other factors i.e. obsolescence or deterioration. For each category of inventory, the Company applies the policy to estimate the provision.

n. Retirement and other employee benefits

(iii) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(iv) Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (Refer note 27). The scheme is funded with an insurance company in the form of qualifying insurance policy.

(v) 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expenses

Tax expense comprises of current 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 Company operates and generates taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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 loses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

<u>Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2024

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(ii) Segment accounting policies

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value,

Notes to Standalone Financial Statements

for the year ended March 31, 2024

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. Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during 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.

Expenditure on research and development eligible for capitalization are carried as Capital Work-in Progress 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

Notes to Standalone Financial Statements
for the year ended March 31, 2024

development expenditures are recognized as expense in the statement of profit and loss as incurred.

The depreciation period and the depreciation method for intangible assets with a finite useful life are reviewed at each reporting date.

y. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 33
- Financial risk management objectives and policies Note 32
- Sensitivity analyses disclosures Notes 32

Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those

Notes to Standalone Financial Statements

for the year ended March 31, 2024

receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Company estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 and 2013 (PSI)

The Company is eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, in the form of State Government GST / Sales tax subsidy / reimbursement of provident fund. The eligibility of the benefits are subject to the Company confirming terms and conditions mentioned in the eligibility certificate. The Company uses judgement to establish the recoverability and the timings of the receipts.

2.3 Changes in accounting policies and disclosures

New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

2.4 Amendments not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 3A. Property, Plant and Equipment

	Land (Refer note 5 below)	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2022[1]	84.30	303.81	12.38	439.60	34.65	14.00	888.74
Additions	18.86	26.45	1.18	59.27	21.41	3.19	130.36
Asset Written off**	-	(0.27)	(0.01)	(2.84)	-	(0.01)	(3.13)
Disposals	(0.23)	-	-	(3.94)	(1.98)	(1.36)	(7.51)
Closing Gross Carrying Amount as at March 31, 2023	**102.93**	**329.99**	**13.55**	**492.09**	**54.08**	**15.82**	**1,008.46**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2022[1]	-	45.00	4.69	123.13	11.16	8.34	192.32
Depreciation charge for the year	-	14.31	1.12	32.16	3.95	2.28	53.82
Asset Written off**	-	(0.13)	(0.01)	(1.79)	-	(0.01)	(1.94)
Disposals	-	-	-	(2.31)	(1.38)	(1.29)	(4.98)
Closing Accumulated Depreciation as at March 31, 2023	**-**	**59.18**	**5.80**	**151.19**	**13.73**	**9.32**	**239.22**
Net Carrying Amount as at March 31, 2023	**102.93**	**270.81**	**7.75**	**340.90**	**40.35**	**6.50**	**769.24**
Year Ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2023	102.93	329.99	13.55	492.09	54.08	15.82	1,008.46
Additions	0.11	31.47	2.03	49.81	4.07	4.58	92.07
Asset Written off**	-	(0.34)	(0.03)	(1.79)	-	-	(2.16)
Disposals	-	-	(0.02)	(5.67)	(4.24)	(0.12)	(10.05)
Closing Gross Carrying Amount as at March 31, 2024	**103.04**	**361.12**	**15.53**	**534.44**	**53.91**	**20.28**	**1,088.32**
Opening gross carrying amount as at April 1, 2023	-	59.18	5.80	151.19	13.73	9.32	239.22
Depreciation charge for the year	-	15.46	1.22	34.46	5.49	2.85	59.48
Asset Written off**	-	(0.15)	(0.03)	(0.87)	-	-	(1.05)
Disposals	-	-	(0.02)	(4.10)	(3.98)	(0.09)	(8.19)
Closing Accumulated Depreciation as at March 31, 2024	**-**	**74.49**	**6.97**	**180.68**	**15.24**	**12.08**	**289.46**
Net Carrying Amount as at March 31, 2024	**103.04**	**286.63**	**8.56**	**353.76**	**38.67**	**8.20**	**798.86**

Note 3A:Capital Work in Progress

	CWIP Freehold Land	CWIP Buildings	CWIP Furniture, fittings	CWIP Plant and Machinery	CWIP Vehicles	CWIP Office Equipments	Total
Year Ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 1,2022[1]	-	12.58	0.01	27.88	0.17	0.14	40.78
Additions	18.86	42.84	1.52	77.78	22.13	3.47	166.60
Less:- Capitalisation	(18.86)	(26.45)	(1.18)	(59.27)	(21.41)	(3.19)	(130.36)
Asset Written off**	-	(0.98)	-	-	-	-	(0.98)
Closing Gross Carrying amount as at March 31, 2023	**-**	**27.99**	**0.35**	**46.39**	**0.89**	**0.42**	**76.04**
Year Ended March31, 2024							
Gross carrying amount							
Opening gross carrying amount as at April 1,2023[1]	-	27.99	0.35	46.39	0.89	0.42	76.04
Additions	0.11	63.43	2.90	158.02	3.48	5.32	233.26
Less:- Capitalisation	(0.11)	(31.47)	(2.03)	(49.81)	(4.07)	(4.58)	(92.07)
Closing Gross Carrying amount as at March 31, 2024	**-**	**59.95**	**1.22**	**154.60**	**0.30**	**1.16**	**217.23**

Notes:-

1. Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

2. The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (Refer note 13A).

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 3A:Capital Work in Progress (Contd..)

3. ** The Company has impaired certain assets as the carrying book value is more than expected economical benefits to be derived from those assets based on the physical verification conducted. During the year ended on March 31, 2024, the loss on such assets is ₹ 1.13 Cr (net) (March 31, 2023: ₹ 2.16) in Building, Furniture & Fixture and Plant & machinery due to wear and tear / fire incident at plant over a period of time.

4. The amount of borrowing costs capitalised during the year ended March 31, 2024 was ₹ 4.71Cr (March 31, 2023: ₹ 1.72). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 8.12 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset (Refer note 23).

5. Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.

6. Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2024

(a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	158.26	56.67	1.75	0.37	217.05
- Projects temporarily suspended	-	-	-	0.18	0.18
Total	**158.26**	**56.67**	**1.75**	**0.55**	**217.23**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	-	0.18	-	-	0.18

B. CWIP ageing as on March 31, 2023

(a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	74.00	1.78	0.01	-	75.79
- Projects temporarily suspended	-	-	-	0.25	0.25
Total	**74.00**	**1.78**	**0.01**	**0.25**	**76.04**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	0.25	-	-	-	0.25

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 3B. Intangible assets

Particulars	Software & License	Know how/ TOT[2]	Total
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount April 1, 2022[1]	8.12	3.31	11.43
Additions	0.27	0.00	0.27
Gross carrying amount as at March 31, 2023	**8.39**	**3.31**	**11.70**
Accumulated amortisation			
Opening accumulated amortization as at April 1, 2022[1]	3.05	0.77	3.82
Amortization for the year	1.57	0.58	2.15
Accumulated amortization as at March 31, 2023	**4.62**	**1.35**	**5.97**
Net carrying amount as at March 31, 2023	**3.77**	**1.96**	**5.73**
Year ended March 31, 2024			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2023	**8.39**	**3.31**	**11.70**
Additions	3.33	-	3.33
Gross carrying amount as at March 31, 2024	**11.72**	**3.31**	**15.03**
Accumulated amortization			
Opening accumulated amortization as at April 1, 2023	**4.62**	**1.35**	**5.97**
Amortization for the year	2.03	0.58	2.61
Accumulated amortization as at March 31, 2024	**6.65**	**1.93**	**8.58**
Net carrying amount as at March 31, 2024	**5.07**	**1.38**	**6.45**

Note 3B: Intangible Asset under development

Particulars	Software & Licence	Know how/ TOT	Total
Year Ended March 31, 2023			
Gross carrying amount			
Opening carrying amount as at April 1, 2022	0.13	-	0.13
Additions	2.51	-	2.51
Less:- Capitalisation	(0.27)	-	(0.27)
Closing Carrying amount as at March 31, 2023	**2.37**	**-**	**2.37**
Year Ended March 31, 2024			
Gross carrying amount			
Opening Carrying Amount as at April 1, 2023	2.37	-	2.37
Additions	2.88	-	2.88
Less:- Capitalisation	(3.33)	-	(3.33)
Closing Carrying amount as at March 31, 2024	**1.92**	**-**	**1.92**

Notes:-

1. Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

2. It represents Cast Booster Technical know-how for limited period of 5 Years, Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for limited period of 10 years and Transfer of Technology of Multi Role Precision Kill Systems by Godavari Explosives Limited for a limited period of 5 years.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 3B: Intangible Asset under development (Contd..)

3. Intangible Assets Under development (IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2024

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	1.92	-	-	-	1.92
- Projects temporarily suspended	-	-	-	-	-
Total	**1.92**	**-**	**-**	**-**	**1.92**

B. IAUD ageing as on March 31, 2023

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	2.37	-	-	-	2.37
- Projects temporarily suspended	-	-	-	-	-
Total	**2.37**	**-**	**-**	**-**	**2.37**

Note 3C. Leases

Company as Lessee

The Company has lease contracts for Office buildings,Guest house and Leasehold land. Leases of office building generally have lease terms between 2 and 10 years, while leasehold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year :

	Office Buildings	Leasehold land	Total
Year ended March 31, 2023			
As at April 1, 2022	**1.24**	**0.92**	**2.16**
Additions	3.22	-	3.22
Termination	-	-	-
Depreciation	(1.01)	(0.04)	(1.05)
As at March 31, 2023	**3.45**	**0.88**	**4.33**
Year ended March 31, 2024			
As at April 1, 2023	**3.45**	**0.88**	**4.33**
Additions	2.88	-	2.88
Termination	-	-	-
Depreciation	(1.24)	(0.04)	(1.28)
As at March 31, 2024	**5.09**	**0.84**	**5.93**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 3C. Leases (Contd..)

B. Lease Liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	March 31, 2024	March 31, 2023
As at April 1	**3.52**	**1.33**
Additions	2.80	3.18
Termination	-	-
Accretion of interest	0.29	0.14
Payments	(1.40)	(1.13)
As at March 31	**5.21**	**3.52**
Current	0.94	1.04
Non-current	4.27	2.48

The maturity analysis of lease liabilities are disclosed in Note 32.

The incremental borrowing rate for lease liabilities is 6.60% to 8.13%, with maturity between 2021-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	1.28	1.05
Interest expense on lease liabilities	0.29	0.14
Expense relating to short-term leases (included in other expenses)	0.47	0.28
Total amount recognised in profit or loss	**2.04**	**1.47**

The Company had total cash outflows for leases of ₹ 1.87 in March 31, 2024 (₹ 1.41 in March 31, 2023).

Note 4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Economic Explosives Limited	₹ 10	48,00,000	48,00,000	14.50	14.50
Emul Tek Private Limited	₹ 10	59,67,700	59,67,700	6.21	6.21
Solar Defence Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Avionics Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Overseas Mauritius Limited	$ 100	2,06,000	1,80,000	273.58	106.79
Solar Explochem Limited	₹ 10	95,00,000	50,000	9.50	0.05
				303.94	**127.70**
Investment carried at cost					
Investment in Equity Instruments of Associate :					
Zmotion Autonomous System Private Limited	₹ 1	8,75,880	8,75,880	27.75	27.75
				27.75	**27.75**
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.50	0.43
				0.50	**0.43**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 4. Investments (Contd.)

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 15,502	500	500	0.09	0.61
				0.09	**0.61**
Investment carried at Fair Value through Other Comprehensive Income#					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	19,300	121.58	49.91
Equity Shares of Skyroot Aerospace Private Limited Refer note # below	₹ 1	5	5	0.03	0.01
				121.61	**49.92**
Aggregate amount of unquoted investments				**453.89**	**206.41**
Aggregate amount of impairment in value of investments				-	-

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unquoted					
Investment carried at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Ltd.*	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.*	₹ 1	5,000	5,000	-	-
(*Under liquidation)					
Quoted					
Investment carried at fair value through profit & loss					
Investment in mutual funds (fully paid up)					
SBI Overnight Fund (Direct Growth)	₹ 10	5,47,884.83	54,814.26	213.44	20.00
				213.44	**20.00**
Aggregate amount of quoted investments and market value thereof				**213.44**	**20.00**

#Note :- Investment in Skyroot Aerospace Private Limited has been classified as fair value through other comprhensive income as it is a strategic investment for the Company and is not held for trading purpose. Accordingly fair value gain amounting to ₹ 71.69 has been accounted in OCI for the year ended March 31, 2024 (March 31, 2023 ₹ 32.42).

Note 5. Loans

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (Refer note 29D)	93.83	244.72	90.38	301.16
	93.83	**244.72**	**90.38**	**301.16**

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 5. Loans (Contd..)

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.

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Solar Explochem Limited	-	37.03	-	8.28
		37.03		**8.28**

3. Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable as per repayment schedule and carry an interest at the rate of 9% - 9.5% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable as per the repayment schedule but the management does not intend to recover the same in next year, these loans carry an interest at the rate of 9% - 9.5% per annum.

Note 6. Other financial assets

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Others				
State Government Incentive Receivables	72.05	60.51	11.03	95.90
Interest accrued from related party (Refer note 29D)	16.80	1.62	0.90	-
Interest accrued but not due on Fixed Deposits	0.04	-	0.05	-
Security deposits	1.24	6.47	0.84	4.92
Other receivables	0.13	-	0.56	-
	90.26	**68.60**	**13.38**	**100.82**
	90.26	**68.60**	**13.38**	**100.82**

Note 7. Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables	332.36	271.76
Receivables from related parties (Refer note 29D)	282.30	274.75
Less: Impairment allowance	(9.54)	(7.05)
Total Trade receivables	**605.12**	**539.46**

Break-up of security details

	March 31, 2024	March 31, 2023
Secured, considered good	56.50	10.56
Unsecured, considered good	556.79	534.12
Trade Receivables - credit impaired	1.37	1.83
Trade Receivables which have significant increase in credit risk	-	-
	614.66	**546.51**
Impairment allowance		
Unsecured, considered good	(8.17)	(5.22)
Trade Receivables - credit impaired	(1.37)	(1.83)
Trade Receivables which have significant increase in credit risk	-	-
	(9.54)	**(7.05)**
	605.12	**539.46**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 7. Trade receivables (Contd..)

Trade Receivable ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2024					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	403.86	155.69	28.56	23.69	1.22	0.27	613.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1.37	1.37
Total	**403.86**	**155.69**	**28.56**	**23.69**	**1.22**	**1.64**	**614.66**

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2023					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	286.43	228.91	24.38	4.69	0.14	0.13	544.68
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	1.83	1.83
Total	**286.43**	**228.91**	**24.38**	**4.69**	**0.14**	**1.96**	**546.51**

Notes :-

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. Trade receivables are non-interest bearing and are generally on terms of 0 to 270 days.

3. There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	March 31, 2024	March 31, 2023
As at April 1,	7.05	14.41
Provision /(Reversal) for expected credit losses	2.49	(7.36)
As at March 31,	**9.54**	**7.05**

Note 8. Cash and Bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks		
On current accounts	54.38	57.25
Deposits with Bank	0.88	0.83
Funds in Transit#	7.62	-
Cash on hand	0.07	0.08
	62.95	**58.16**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 8. Cash and Bank balances (Contd..)

	March 31, 2024	March 31, 2023
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.16	2.74
Earmarked balances with banks *	0.07	0.05
	2.23	**2.79**

*The Company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by one bank account credited in other bank account subsequently.

Note 9. Other assets

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Capital advances	-	39.19	-	20.63
Prepayments	10.20	-	9.46	-
Advances to suppliers for goods and services	13.96	-	24.32	-
Advances to staff	0.78	-	0.65	-
Balances with revenue authorities	40.98	0.60	57.99	0.60
	65.92	**39.79**	**92.42**	**21.23**

Note 10. Inventories

	March 31, 2024	March 31, 2023
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes in transit of ₹ 17.79 (Previous year : ₹ 96.70))	175.86	356.20
Work-in-progress (includes in transit of ₹ Nil (Previous year : ₹ Nil))	28.46	34.16
Finished goods (includes in transit of ₹ 12.22 (Previous year : ₹ 4.86))	31.73	47.66
Stock-in-trade (Includes stock in transit of ₹ 1.80 (Previous year : ₹ Nil))	1.88	0.47
Stores and spares (includes in transit of ₹ 0.48 (Previous year : ₹ 0.04))	18.90	16.35
Project inventory in progress	7.28	5.21
	264.11	**460.05**

Note:-

Value of inventories above is stated after provision of ₹ 3.58 (previous year ₹ 1.66) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11. Equity share capital

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 11. Equity share capital (Contd..)

(a) Movements in equity share capital

Particulars	No. of Shares	Amount
As at March 31, 2022	**9,04,90,055**	**18.10**
As at March 31, 2023	**9,04,90,055**	**18.10**
As at March 31, 2024	**9,04,90,055**	**18.10**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

The Company being ultimate holding Company, there are no shares held by any other holding, ultimate holding Company and their subsidiaries/ associates.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% holding		Number of shares	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
SBI Mutual Fund	5.58%	7.05%	50,47,791	63,83,835
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230

Note:-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

(e) Details of Shares held by promoters :-

As at March 31, 2024

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 11. Equity share capital (Contd..)

As at March 31, 2023

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

Note 11A. Other equity

Securities premium[1]

As at April 1, 2022	**149.13**
Movement for the year 2022-23	-
As at March 31, 2023	**149.13**
Movement for the year 2023-24	-
As at March 31, 2024	**149.13**

Retained earnings[5]

As at April 1, 2022	**592.58**
Add : Profit for the year	445.39
Less :Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2021-22	(67.87)
As at March 31, 2023	**870.10**
Add : Profit for the year	596.30
Less :Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2022-23	(72.39)
As at March 31, 2024	**1,294.01**

Capital reserve[2]

As at April 1, 2022	**4.29**
Movement for the year 2022-23	-
As at March 31, 2023	**4.29**
Movement for the year 2023-24	-
As at March 31, 2024	**4.29**

General reserve[3]

As at April 1, 2022	**601.61**
Add : Transfer from retained earnings	100.00
As at March 31, 2023	**701.61**
Add : Transfer from retained earnings	100.00
As at March 31, 2024	**801.61**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 11A. Other equity (Contd..)

Cash flow hedge reserve[4]

As at April 1, 2022	**0.03**
Movement for the year 2022-23	-
As at March 31, 2023	**0.03**
Movement for the year 2023-24	-
As at March 31, 2024	**0.03**

Investment in Equity Instruments[6]

As at April 1, 2022	**-**
Movement for the year 2022-23	24.87
As at March 31, 2023	**24.87**
Movement for the year 2023-24	54.99
As at March 31, 2024	**79.86**

Remeasurement (loss)/gain on defined benefit plans[7]

As at April 1, 2022	**(0.15)**
Movement for the year 2022-23	(0.53)
As at March 31, 2023	**(0.68)**
Movement for the year 2023-24	0.12
As at March 31, 2024	**(0.56)**

Total other equity

As at April 1, 2022	**1,347.49**
Movement for the year 2022-23	401.86
As at March 31, 2023	**1,749.35**
Movement for the year 2023-24	579.02
As at March 31, 2024	**2,328.37**

Nature and purpose of reserves

1. **Securities premium**

   Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. **Capital reserve**

   The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

3. **General reserve**

   Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

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,

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 11A. Other equity (Contd..)

the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

5. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend.

6. Investment in Equity Instruments

The Company has classified certain non-current investments as fair value through other comprehensive income as it is a strategic investment and is not held for trading purpose. The cumulative amount is classified to retained earnings when the investment is disposed off.

7. Remeasurement of Defined Benefit Plans

The Company recognizes actuarial gains/losses on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

11B. Distribution made and proposed

	March 31, 2024	March 31, 2023
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2023: ₹ 8 per share (March 31, 2022 ₹ 7.50 per share)	72.39	67.87
	72.39	**67.87**
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31,2024: ₹ 8.50 per share (March 31, 2023: ₹ 8 per share)	76.92	72.39
	76.92	**72.39**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Financial liabilities

Note 12. Non-current Borrowings

	March 31, 2024	March 31, 2023
Secured Borrowings carried at amortised cost		
Term loans from banks		
Indian Rupee term loan	242.48	223.56
Interest accrued but not due	1.76	1.58
Unsecured Borrowings carried at amortised cost		
Non-Convertible Debentures	70.00	55.00
Interest accrued but not due	0.16	0.11
	314.40	**280.25**
Less:		
Current maturities of long-term debt (Refer note 13)	(119.43)	(96.09)
Interest accrued but not due on non-current borrowings (Refer note 16)	(1.92)	(1.69)
	193.05	**182.47**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 13. Current Borrowings

	March 31, 2024	March 31, 2023
Secured - at Amortised cost		
From banks		
Current maturities of long term debt	87.76	76.09
Indian Rupee working capital loan from Bank	-	40.00
Interest accrued but not due	2.47	0.04
Unsecured - at Amortised cost		
From banks		
Current maturities of long term debt (NCD)	31.67	20.00
Indian Rupee working capital loan	-	63.26
Interest accrued but not due	-	1.27
From Related Parties		
Loan from Related party (Refer note 29D)	-	39.10
Interest accrued but not due (Refer note 29D)	-	1.90
	121.90	**241.66**
Less:		
Interest accrued but not due on current borrowings (Refer note 16)	(2.47)	(3.21)
	119.43	**238.45**

Notes:-

1. Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Company.
2. The Company has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.

Note 13A. Maturity profile

Maturity profile of Non current Borrowing (Including Current Maturities)

Particulars	Maturity date	Terms of repayment	March 31, 2024	March 31, 2023
Secured				
Rupee Term Loan from Bank#	September 13, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	8.34	25.00
Rupee Term Loan from Bank&	September 27, 2026	Repayable in sixteen quarterly installment starting after moratorium period of 12 months	125.00	175.00
Rupee Term Loan from Bank^	August 31, 2025	Repayable in twenty quarterly installment	14.14	23.56
Rupee Term Loan from Bank %	October 1 , 2028	Repayable in twenty quarterly installment	95.00	-
Unsecured				
Non Convertible Debentures *	December 23, 2025	Repayable in twelve quarterly instalments (subject to put call option exercisable after 2 years of allotment by debenture holders and Company respectively)	35.00	55.00
Non Convertible Debentures **	March 22, 2027	Repayable in twelve quarterly instalments.	35.00	-
			312.48	**278.56**

#The Indian rupee long term loan from bank carries an interest rate of 3 month T bill rate with a spread of 161 bps.

^The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

&The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

%The Indian rupee long term loan from bank is linked to 3 month T Bill rate with a spread of 145 bps.

*NCD have been issued at fixed rate of 8.20% p.a.

**NCD is linked to Repo rate with a spread of 181 bps.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 13A. Maturity profile (Contd..)

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipments, both present and future, and second pari passu charge on the Company's current assets, both present and future. Working capital loans have first Pari Passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's property, plant and equipments, both present and future as per security document.

Loan covenants

Bank loan contains certain debt covenants relating to debt equity ratio, net borrowing to EBITDA ratio, interest service coverage ratio, debt service coverage ratio (DSCR), gearing ratio, fixed asset coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans.

Note 14. Tax expenses

The major components of tax expense for the year ended March 31, 2024 and March 31, 2023 are :

Statement of profit and loss:

Profit and loss section

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	195.56	142.07
Adjustment of tax relating to earlier periods	(1.30)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	9.49	12.62
Tax expense reported in the statement of profit and loss	**203.75**	**154.69**

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year :

	March 31, 2024	March 31, 2023
Net (loss)/ gain on remeasurements of defined benefit plans	0.04	(0.18)
Net (loss)/gain on Investment in Equity instruments	16.70	7.55
Income tax charged to other comprehensive income	**16.74**	**7.37**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023 :

	March 31, 2024	March 31, 2023
Accounting profit before tax	800.05	600.08
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	201.36	151.03
Effect of :		
Expense not allowed for income tax purpose	3.12	1.92
Others	0.57	1.74
Tax in respect of earlier years	(1.30)	-
Total income tax expense	**203.75**	**154.69**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 14. Tax expenses (Contd..)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2024	March 31, 2023
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	116.00	105.90
Financial assets at fair value through profit or loss	0.53	0.23
Financial assets at fair value through OCI	24.25	7.55
Derivative Instruments at fair value through profit or loss	(0.12)	(0.05)
Gratuity	0.36	0.32
Provision for discounting of Non current assets	(2.48)	(3.55)
Provision towards trade receivables	(2.40)	(1.77)
Leases	0.18	0.20
Provision for Statutory dues	(1.52)	(1.53)
Provision for inventory	(0.81)	-
Employee benefits	(1.16)	(1.15)
Advance Written off	(0.10)	(0.10)
Provision for other deposit	(0.06)	(0.06)
Disallowance of long term incentive	(0.79)	(0.34)
Net deferred tax (assets)/ liabilities	**131.88**	**105.65**

Statement of profit and loss

	March 31, 2024	March 31, 2023
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	10.10	10.00
Provision towards trade receivables	(0.63)	1.84
Provision for discounting of Non current assets	1.07	(0.19)
Employee benefits	(0.01)	(0.13)
Financial assets at fair value through profit or loss	0.30	0.37
Derivative Instruments at fair value through profit or loss	(0.07)	(0.25)
Leases	(0.02)	(0.01)
Provision for Statutory dues	0.01	0.50
Provision for write down to net realizable value of inventory	(0.81)	1.01
Remeasurement of defined benefit plans	0.04	(0.18)
Revaluation of cash flow hedges	-	(0.02)
Advance Written off	-	(0.10)
Provision for other deposit*	0.00	(0.06)
Financial assets carried at fair value through OCI	16.70	7.55
Disallowance of Long term incentive	(0.45)	(0.34)
Deferred tax expense/(income)	**26.23**	**19.99**

*Amount is less than ₹ 0.01

Reconciliation of Deferred tax liabilities (net):

	March 31, 2024	March 31, 2023
Opening balance	**105.65**	**85.66**
Tax (income)/expense during the period recognised in profit or loss	9.49	12.62
Tax (income)/expense during the period recognised in OCI	16.74	7.37
Closing balance	**131.88**	**105.65**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 15. Trade payables

	March 31, 2024	March 31, 2023
Current		
Trade payables*		
a) total outstanding dues to micro enterprises and small enterprises (Refer note 37)	8.08	8.04
b) total outstanding dues to creditors other than micro enterprises and small enterprises	100.19	238.53
Acceptances #*	225.18	147.34
Total Trade payables	**333.45**	**393.91**

Break up of trade payables

	March 31, 2024	March 31, 2023
Trade Payables other than related parties (including acceptances)	323.83	210.11
Trade Payables to related parties (Refer note 29D)	9.62	183.80
	333.45	**393.91**

Trade payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2024				
		<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	Total
(i) Undisputed dues- MSME	6.80	1.26	0.01	0.01	-	8.08
(il) Undisputed dues- Others	308.71	16.25	0.34	0.06	0.01	325.37
Total	**315.51**	**17.51**	**0.35**	**0.07**	**0.01**	**333.45**

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2023				
		<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	Total
(i) Undisputed dues- MSME	6.97	1.06	0.01	-	-	8.04
(il) Undisputed dues- Others	199.38	186.29	0.17	0.03	-	385.87
Total	**206.35**	**187.35**	**0.18**	**0.03**	**-**	**393.91**

Notes :-

1. *Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.
2. For trade payables due to Micro and Small enterprises, refer note 37.
3. For terms and conditions with related parties, refer note 29B.
4. For explanations on the Company's credit risk management processes, refer note 32.
5. #Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 180 days
6. There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule.

Note 16. Other current financial liabilities

	March 31, 2024	March 31, 2023
Derivative Instruments at fair value through FVTPL		
Fair valuation of derivative contracts (Refer note 31)	0.49	0.18
	0.49	**0.18**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (Refer note 12)	1.92	1.69
Interest accrued on current borrowings (Refer note 13)	2.47	1.31
Interest Payable - Related Party (Refer note 13)	-	1.90
	4.39	**4.90**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 16. Other current financial liabilities (Contd..)

	March 31, 2024	March 31, 2023
Others		
Capital creditors	12.37	3.59
Capital creditors - Related Party (Refer Note 29D)	0.02	0.45
Employees related payable	33.56	24.98
Liability towards trade discounts	5.06	4.30
Unclaimed dividend	0.07	0.05
	51.08	**33.37**
	55.96	**38.45**

Note :- Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange option/ forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing and trade payables.

Note 17. Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues	6.90	6.01
Contract Liabilities	35.79	28.69
	42.69	**34.70**

Note 17A. Current Provisions

	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for leave encashment	4.59	4.57
	4.59	**4.57**

Note 18. Revenue from operations

	March 31, 2024	March 31, 2023
Sale of products (Refer note 35)	3,621.96	4,072.79
Other operating revenues:		
Income under Package Scheme of Incentives (net of discounting)*	50.61	49.89
Scrap Sales	2.96	2.98
Stores and Spare and Consumables	16.09	11.16
Others	25.90	25.43
	3,717.52	**4,162.25**

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 (gross of discounting) of ₹ 60.67Cr (previous year ₹ 60.41Cr).

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 19. Other income

	March 31, 2024	March 31, 2023
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	31.19	24.64
others	14.33	9.76
On deposits with bank	0.18	0.10
Profit on sale of investments carried at fair value through profit or loss	4.35	1.18
Interest received on income tax refund	-	0.86
Net gain on disposal of property, plant and equipment	2.53	1.78
Net gain on disposal of asset held for sale	-	0.57
Net gain on financial assets mandatorily measured at fair value through profit or loss	1.89	0.40
Net gain on foreign currency transaction and translation	-	11.52
Provision write back	0.01	0.49
Insurance claim received	1.28	-
Miscellaneous Income	2.58	4.54
	58.34	**55.84**

Note 20. Cost of materials consumed

	March 31, 2024	March 31, 2023
Raw materials and packing materials at the beginning of the year	356.20	176.07
Add: Purchases during the year	1,868.29	2,976.90
Less: Raw materials and packing materials at the end of the year	175.86	356.20
	2,048.63	**2,796.77**

Note 21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2024	March 31, 2023
Opening balance		
Work-in progress	34.16	34.82
Finished goods	47.66	38.87
Stock-in-trade	0.47	3.09
	82.29	**76.78**
Closing balance		
Work-in progress	28.46	34.16
Finished goods	31.73	47.66
Stock-in-trade	1.88	0.47
	62.07	**82.29**
	20.22	**(5.51)**

Note 22. Employee benefit expense

	March 31, 2024	March 31, 2023
Salaries and wages (including bonus)	73.30	62.51
Remuneration to directors	20.63	10.16
Contribution to provident and other funds (Refer note 27)	5.65	5.00
Staff welfare expenses	4.82	2.38
Total - A	**104.40**	**80.05**
Labour charges (including bonus)	81.11	65.31
Total - B	**81.11**	**65.31**
Total expense (A+B)	**185.51**	**145.36**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 23. Finance costs

	March 31, 2024	March 31, 2023
Interest*		
To banks#	26.82	24.43
To related parties	2.27	2.94
To Others	0.20	0.06
Interest on lease liabilities	0.29	0.14
	29.58	**27.57**

*Net of borrowing costs capitalised (Refer note 3A)

Includes related hedging cost

Note 24. Depreciation and amortization expense

	March 31, 2024	March 31, 2023
Depreciation of tangible assets (Refer note 3A)	59.48	53.82
Amortization of intangible assets (Refer note 3B)	2.61	2.15
Depreciation of Right-of-use assets (Refer note 3C)	1.28	1.05
	63.37	**57.02**

Note 25. Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spares	19.02	13.55
Repairs and maintenance :		
Plant and machinery	12.85	9.27
Buildings	4.11	5.02
Others	7.11	8.13
Water and electricity charges	42.42	45.89
Rates and taxes	3.80	3.12
Legal and professional fees	10.65	11.91
Travelling and conveyance	9.90	7.40
Sales commission expenses	13.82	14.41
Freight and forwarding charges	133.18	125.18
Transportation charges	42.58	43.01
Pump truck expenses	19.84	16.87
Security service charges	6.47	5.34
Sales promotion expenses	10.99	12.74
Donations	3.96	1.55
Advertisement expenses	2.74	3.60
Advances written off	-	0.66
Directors' sitting fees	0.39	0.41
Bad debts written off	0.59	9.62
Net loss on foreign currency transaction and translation	7.77	-
Impairment (gain)/loss on financial assets	2.49	(7.36)
Property, plant and equipment discarded	1.13	2.18
Corporate Social Responsibility expenditure (Refer note 25(b))	8.45	5.83
Payments to auditors (Refer note 25(a))	1.88	1.75
Testing Charges	0.88	0.43
Sales Tax Mega Project (PF Incentive) Written off	-	2.03
Insurance Charges	9.36	9.09
Miscellaneous expenses (mainly includes bank charges, Information technology, factory, communication, office expenses,conveyance etc)	19.52	31.61
	395.90	**383.24**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 25(a). Details of payments to auditors

	March 31, 2024	March 31, 2023
Payment to auditors		
As auditor:		
Audit fee	1.30	1.24
Limited Review	0.48	0.35
In other capacity		
Taxation matters	-	0.08
Certification Fees	0.05	0.04
Others (Including technology surcharge and out of pocket expense etc.)	0.05	0.04
	1.88	**1.75**

Note 25(b). CSR expenditure

	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the Company during the year	8.15	5.82
b) Amount approved by the Board to be spent during the year	8.15	5.82
c) Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	8.45	5.83
d) Details related to spent / unspent obligation :		
i) Contribution to environmental sustainability	-	0.15
ii) Promotion of Education	0.07	0.96
iii) Promoting Health Care	5.75	4.51
iv) Animal Welfare and Rural Development	2.12	0.04
v) Contribution to Empowerment of Women and Skill Development	0.51	0.10
vi) Welfare activities for senior citizen and Hygiene for under privileged children	-	0.07
	8.45	**5.83**

Note 26. Earnings per share (EPS)

	March 31, 2024	March 31, 2023
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	596.30	445.39
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 (₹)	**65.90**	**49.22**
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.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 27. Employee Benefit obligations (Contd..)

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense recognized in statement of Profit and Loss

	March 31, 2024	March 31, 2023
Service cost	1.39	1.27
Net interest cost	(0.13)	(0.23)
Expenses recognized in the statement of Profit and Loss	**1.26**	**1.04**

Other Comprehensive Income

	March 31, 2024	March 31, 2023
Actuarial gain / (loss) on liabilities	0.18	(0.36)
Actuarial gain / (loss) on assets	(0.02)	(0.34)
Closing amount recognized in OCI	**0.16**	**(0.70)**

The amount recognized in Balance Sheet

	March 31, 2024	March 31, 2023
Present value of funded obligations	14.65	12.77
Fair value of plan assets	15.32	14.49
Net defined benefit liability / (assets) recognized In balance sheet	**(0.67)**	**(1.72)**

Change in Present Value of Obligations

	March 31, 2024	March 31, 2023
Opening defined benefit obligations	12.77	10.88
Service cost	1.39	1.27
Interest Cost	0.94	0.74
Benefit Paid	(0.27)	(0.48)
Actuarial (gain)/ loss on total liabilities	(0.18)	0.36
Closing defined benefit obligations	**14.65**	**12.77**

Change in Fair Value of Plan Assets

	March 31, 2024	March 31, 2023
Opening fair value of plan assets	14.49	14.29
Actual Return on Plan Assets	1.05	0.64
Employer Contribution	0.05	0.04
Benefit Paid	(0.27)	(0.48)
Closing fair value of plan assets	**15.32**	**14.49**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2024	March 31, 2023
Investments with insurer (LIC)	69%	68%
Investments with insurer (ICICI)	31%	32%

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 27. Employee Benefit obligations (Contd..)

The significant actuarial assumptions were as follows :

	March 31, 2024	March 31, 2023
Discount Rate	7.19% per annum	7.36% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of Return on Plan Assets	7.36% per annum	6.81% per annum
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

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 2023-24.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2024	Impact (Absolute)	Impact (%)
Base Liability	14.65		
Increase Discount Rate by 0.50%	14.31	(0.34)	-2.35%
Decrease Discount Rate by 0.50%	15.01	0.36	2.47%
Increase Salary Inflation by 1.00%	15.37	0.71	4.87%
Decrease Salary Inflation by 1.00%	13.99	(0.66)	-4.51%
Increase in Withdrawal Assumption by 5.00%	14.40	(0.25)	-1.72%
Decrease in Withdrawal Assumption by 5.00%	14.99	0.34	2.32%

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 7.19% per annum and salary inflation rate of 8.00% per annum for all future years.

Note 28. Commitments and contingencies

Capital Commitments

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	66.53	48.95

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 28. Commitments and contingencies (Contd..)

Contingent liabilities

	March 31, 2024	March 31, 2023
Guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	473.93	466.91
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	301.99	342.71
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters including GST	12.41	6.24
Sales tax / VAT related matters	1.15	1.15
Advance License Import and Export obligation	-	0.50

Note a.

The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Note b.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 29. Related Party Information

Sr. No.	Name of related party and relationship	Country of Incorporation
A	**Subsidiaries :-**	
I	**Direct Subsidiaries (where control exists)**	
1	Economic Explosives Limited	India
2	Emul Tek Private Limited	India
3	Solar Defence Limited (Note - i)	India
4	Solar Defence Systems Limited (Note - i)	India
5	Solar Avionics Limited (Note - i)	India
6	Solar Explochem Limited	India
7	Solar Overseas Mauritius Limited	Mauritius
II	**Indirect Subsidiaries (where control exists)**	
i)	Rajasthan Explosives and Chemicals Limited (Note - iii)	India
ii)	**Subsidiaries of Solar Overseas Mauritius Limited, Mauritius**	
	Solar Overseas Singapore Pte Limited	Singapore
	Solar Overseas Netherlands Cooperative U.A	Netherlands
	Solar Industries Africa Limited	Mauritius
	Solar Nitro Zimbabwe (Private) Limited (Note - i)	Zimbabwe
	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Tanzania
iii)	**Subsidiaries of Solar Singapore Pte Ltd, Singapore**	
	Solar Mining Services Pty Limited	Australia
	Solar Mining Services Cote d'Ivoire Limited SARL (Note -i)	Ivory Coast
	Solar Mining Services Albania	Albania
	Solar Nitro SARL (Note i)	Ivory Coast
	Solar Nitro Kazakhstan Limited (Note-i and Note iv)	Kazakhstan
	Solar Nitro (SL) Limited (Note-i and Note-v)	Sierra Leone

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

Sr. No.	Name of related party and relationship	Country of Incorporation
iv)	**Subsidiaries of Solar Industries Africa Limited, Mauritius**	
	Solar Nitro Chemicals Limited	Tanzania
	Solar Mining Services Burkina Faso SARL (Note -i)	Burkina Faso
v)	**Subsidiaries of Solar Overseas Netherlands Co U.A., Netherlands**	
	Solar Mining Services Pty Limited	South Africa
	Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	Nigeria
	Solar Overseas Netherlands B.V.	Netherlands
	Solar Explochem Zambia Limited	Zambia
vi)	**Subsidiaries of Solar Overseas Netherlands B.V. , Netherlands**	
	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey
	P.T. Solar Mining Services	Indonesia
	Solar Nitro Ghana Limited	Ghana
	Solar Madencilik Hizmetleri Anonim Sirketi	Turkey
	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey
vii)	**Limited Liability Partnership of Solar Nitro Kazakhstan Limited**	
	Power Blast LLP (Note-i and Note-vi)	Kazakhstan

Note - i: The entity has not commenced its business operations

Note - ii: The entity is under liquidation

Note- iii: Subsidiary of Emul Tek Private Limited with effect from December 16, 2023

Note-iv : The entity incorporated on May 05, 2023

Note-v: The entity incorporated on November 7, 2023

Note-vi: Acquired by Solar Nitro Kazakhstan Limited with effect from October 1, 2023

B Other Related Parties:-

I Non Executive Director

Shri Satyanarayan Nuwal (Chairman)

II Key Management Personnel (KMP)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director)

Shri Moneesh Agrawal (Joint Chief Financial Officer)

Smt Shalinee Mandhana (Joint Chief Financial Officer)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Smt Seemadevi Nuwal

Shri Raghav Nuwal

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

IV Non Executive Independent Directors **

Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)

Smt. Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)

Shri Natrajan Ramakrishnan

Shri Jagdish Belwal

Smt Rashmi Prasad (w.e.f September 21, 2023)

Shri Dinesh Kumar Batra (w.e.f. April 1, 2024)

** Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2023-24.

The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

V Entities where Directors/ Close family members of Directors having control/significant influence (with whom transactions have taken place)

Solar Synthetics Private Limited

VI Associates and Joint Venture

ZMotion Autonomous Private Limited

Astra Resources (Pty) Limited

Solar United Company Limited (Fromerly known as Solar AGC Limited Laibility) (Note-i and Note-ii)

Ortiz Investments Pty Limited (Note - iii)

VII Post Employment Benefit Plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

(Post employment benefit plan of the Company)

Refer note 27 for information on transactions with post employment benefit plan mentioned above

Note-i: The entity has not commenced its business operations

Note-ii: The entity incorporated on July 18, 2023

Note-iii: The entity incorporated on May 09, 2023

C. Transactions with related parties during the year

Nature of Transaction	March 31, 2024	March 31, 2023
Sales of products and services		
Economic Explosives Limited	111.29	116.40
Emul Tek Private Limited	3.75	3.86
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	47.93	53.29
P.T. Solar Mining Services	6.91	1.46
Solar Explochem Zambia Limited	24.56	38.26
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	68.95	53.01
Solar Mining Services Pty Ltd, South Africa	85.64	88.58
Solar Mining Services Pty Ltd, Australia	143.28	78.00
Solar Nitro Ghana Limited	16.17	9.22
Solar Nitro Chemicals Limited	15.32	15.70
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	-	11.50
Total	**523.80**	**469.28**

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2024	March 31, 2023
Other operating income		
Emul Tek Private Limited*	-	0.00
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited) - Technical consultancy	3.60	6.20
Rajasthan Explosives Chemical Limited- Transportation	1.00	-
Economic Explosives Limited- Transportation	2.92	2.91
Other Income (Arrangement fees)		
Solar Overseas Mauritius Limited	0.33	0.80
Solar Mining Services Pty Ltd, South Africa	0.52	0.67
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	0.05	0.05
Solar Nitro Ghana Limited	0.27	0.19
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.30	0.24
Solar Mining Services (Pty) Ltd Australia	0.25	0.40
Cross Charges recovered		
Economic Explosives Limited	0.33	0.65
Emul Tek Private Limited	0.14	0.03
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	0.61	0.39
Solar Explochem Zambia Limited	0.15	0.18
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.56	0.41
Solar Mining Services Pty Ltd, South Africa	0.21	0.16
Solar Nitro Ghana Limited	0.06	0.12
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	0.04	0.05
Solar Mining Services Pty Ltd, Australia	0.09	0.05
Pt. Solar Mining Services, Indonesia*	0.00	-
Solar Madencilik Hizmetleri Anonim Sirketi	0.04	0.07
Solar Nitro Chemicals Limited, Tanzania*	0.02	0.00
Total	**11.49**	**13.57**
Sale of fixed assets		
Emul Tek Private Limited	1.06	1.55
Economic Explosives Limited	0.14	0.01
Pt. Solar Mining Services, Indonesia	5.62	-
Total	**6.82**	**1.56**
Purchase of raw material,components and fixed assets		
Economic Explosives Limited	371.51	300.13
Solar Mining Services Pty Ltd, Australia	0.03	0.01
Emul Tek Private Limited	0.01	0.12
Solar Explochem Ltd.	0.04	-
Total	**371.59**	**300.26**
Sales commission expense		
Rajasthan Explosives Chemical Limited	0.26	-
Total	**0.26**	**-**
Purchase of export license		
Economic Explosives Limited	0.48	1.12
Total	**0.48**	**1.12**
Other Expenditure		
Economic Explosives Limited-Transportation	0.59	1.08
Solar Synthetics Private Limited (Rent)	0.04	0.04
Total	**0.63**	**1.12**
Investment		
Solar Explochem Limited	9.45	0.05
Total	**9.45**	**0.05**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2024	March 31, 2023
Loan converted into equity investment		
Solar Overseas Mauritius Ltd.	166.79	-
Total	**166.79**	**-**
Loans given/ (repaid) during the year		
Given		
Economic Explosives Limited	-	180.16
Solar Explochem Limited	28.75	8.28
Solar Overseas Mauritius Limited - Loan	111.70	154.59
Emul Tek Private Limited	63.10	147.50
	203.55	**490.53**
Repaid		
Economic Explosives Limited	-	(220.04)
Solar Overseas Mauritius Limited	(73.17)	(47.80)
Emul Tek Private Limited	-	(138.96)
	(73.17)	**(406.80)**
Total (net)	**130.38**	**83.73**
Loans taken/ (repaid) during the year		
Taken		
Economic Explosives Limited	431.25	376.25
Repaid		
Economic Explosives Limited	(470.35)	(337.15)
Total	**(39.10)**	**39.10**
Interest income		
Economic Explosives Limited	-	1.40
Solar Explochem Limited	1.80	0.32
Emul Tek Private Limited	3.23	2.90
Solar Overseas Mauritius Limited	26.17	20.02
Total	**31.20**	**24.64**
Interest Paid		
Economic Explosives Limited	2.27	2.94
Total	**2.27**	**2.94**
Remuneration to KMP**		
Short-term employee benefits ***		
Shri Satyanarayan Nuwal	-	0.35
Shri Manish Nuwal	18.30	11.70
Shri Suresh Menon	1.18	0.82
Shri Milind Deshmukh	1.21	0.85
Shri Moneesh Agrawal	0.47	0.43
Smt. Shalinee Mandhana	0.41	0.34
Smt. Khushboo Pasari	0.26	0.23
Total	**21.83**	**14.72**
Sitting fees		
Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)	0.14	0.11
Smt Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)	0.03	0.10
Shri Natrajan Ramkrishna	0.11	0.04
Shri Jagdish C Belwal	0.08	0.01
Smt Rashmi Prasad	0.03	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2024	March 31, 2023
Shri Dilip Patel (Ceased to be a Non-Executive Independent Director w.e.f. October 19, 2022)	-	0.07
Shri Ajai Nigam (Ceased to be a Non-Executive Independent Director w.e.f. March 3, 2023)	-	0.07
Shri Sanjay Sinha (upto - 10 June 2022)	-	0.02
Total	**0.39**	**0.42**
Guarantee given/(extinguished) on behalf of subsidiary		
Solar Overseas Mauritius Limited (Net)	(45.90)	36.52
Solar Mining Services Pty Limited, South Africa	-	(84.32)
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	-	41.15
Solar Mining Services Pty Limited, Australia	-	99.22
Total	**(45.90)**	**92.57**

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, 2024 and March 31, 2023

**This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Company as a whole and individual amounts are not determinable.

*** The aforesaid amounts are inclusive of reimbursement made to KMP's

D. Balance outstanding at the year end are as follows:

	March 31, 2024	March 31, 2023
Loans Given		
Solar Explochem Limited	37.03	8.28
Solar Overseas Mauritius Limited	206.41	351.26
Emul Tek Private Limited	95.11	32.01
Total	**338.55**	**391.54**
Other Financial Assets (Accrued Interest)		
Solar Explochem Limited	1.62	0.29
Emul Tek Private Limited	0.96	0.61
Solar Overseas Mauritius Limited	15.84	-
Total	**18.42**	**0.90**
Trade receivables		
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	40.31	51.83
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	27.56	40.40
Solar Mining Services Pty Limited, South Africa	96.08	73.99
Solar Explochem Zambia Limited	0.22	21.54
Emul Tek Private Limited	1.40	2.47
Rajasthan Explosives and Chemicals Limited	0.12	-
Economic Explosives Limited	1.15	28.05
Solar Mining Services Pty Limited, Australia	81.39	30.68
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	-	5.42
Solar Overseas Mauritius Limited	0.08	-
P.T. Solar Mining Services	11.32	0.35
Solar Nitro Chemicals Limited	10.03	15.12
Solar Nitro Ghana Limited	12.64	4.90
Total	**282.30**	**274.75**
Contract Liabilities		
Economic Explosive Limited	-	1.55
Total	**-**	**1.55**

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 29. Related Party Information (Contd..)

	March 31, 2024	March 31, 2023
Trade payables/ Other payables		
Economic Explosives Limited	9.35	183.59
Emul Tek Private Limited	-	0.10
Solar Mining Services Pty Limited, Australia	0.01	0.01
Solar Synthetics (P) Limited	0.14	0.10
Shri Satyanarayan Nuwal	-	0.21
Rajasthan Explosives and Chemicals Limited	0.12	-
Shri Manish Nuwal	7.69	4.58
Shri Kailashchandra Nuwal (Note 29 F)	0.13	0.13
Total	**17.44**	**188.72**
Capital creditors		
Emul Tek Private Limited	-	0.04
Economic Explosives Limited	-	0.41
Solar Mining Services (Pty) Limited, Australia	0.02	-
Total	**0.02**	**0.45**
Loan Taken		
Economic Explosives Limited	-	39.10
Total	**-**	**39.10**
Interest Payable		
Economic Explosives Limited	-	1.90
Total	**-**	**1.90**

E. Balance of guarantees outstanding at the year end are as follows:

	March 31, 2024	March 31, 2023
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	433.35	472.12
Solar Mining Services Pty Limited, South Africa	86.29	85.01
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	125.10	123.25
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	18.60	18.32
Solar Nitro Ghana Limited	12.51	12.32
Solar Mining Services Pty Limited, Australia	100.08	98.60
Total	**775.93**	**809.62**

Note : Balance of guarantees outstanding as at the end of the year in foreign curreny have been converted at the prevailing rate of exchange as at the year end.

F. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Company and AG Technologies Private Limited, which was related party.

Based on legal opinions obtained, the Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee.

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filling an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

* Amount is less than ₹ 0.01 as at March 31, 2024 and March 31, 2023.

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 30. Segment Information

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments" the Company has presented segment, information only in the Consolidated financial statements.

Note 31. Fair value measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

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.

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. The own non-performance risk as at March 31, 2024 was assessed to be insignificant.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 31. 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, 2024 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	331.69	4	-	-	-
Loans	338.55	5	-	-	-
Other financial assets (except derivatives)	158.86	6	-	-	-
Trade receivables	605.12	7	-	-	-
Cash and cash equivalents	62.95	8	-	-	-
Bank balances other than cash and cash equivalents	2.23	8	-	-	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	121.61	4	-	-	121.61
Fair value through profit and loss					
Investment in Venture Capital Fund (unquoted)	0.09	4	-	0.09	-
Investment in equity instruments of others (unquoted)	0.50	4	-	-	0.50
Investment in SBI Overnight Fund (Direct Growth)	213.44	4	213.44	-	-
Total Financial Assets	**1,835.04**		**213.44**	**0.09**	**122.11**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	193.05	12	-	-	-
Current	119.43	13	-	-	-
Trade payables (including Acceptances)	333.45	15	-	-	-
Lease liabilities	5.21	3C	-	-	-
Other financial liabilities (except derivatives)	55.47	16	-	-	-
Derivative Instruments not designated as hedge	0.49	16	-	0.49	-
Total Financial Liabilities	**707.10**		**-**	**0.49**	**-**

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, 2023 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	155.45	4	-	-	-
Loans	391.54	5	-	-	-
Other financial assets (except derivatives)	114.20	6	-	-	-
Trade receivables	539.46	7	-	-	-
Cash and cash equivalents	58.16	8	-	-	-
Bank balances other than cash and cash equivalents	2.79	8	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 31. Fair value measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted)	49.92	4	-	-	49.92
(includes compulsory convertiable preference shares)	-	4	-	-	-
Investment in equity instruments (quoted)	-	4	-	-	-
Investment in mutual funds (quoted)	-	4	-	-	-
Fair value through profit & loss					
Investment in Venture Capital Fund (unquoted)	0.61	4	-	0.61	-
Investment in equity instruments of others (unquoted)	0.43	4			0.43
Investment in SBI Overnight Fund (Direct Growth)	20.00	4	20.00		
Total Financial Assets	**1,332.56**		**20.00**	**0.61**	**50.35**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	182.47	12	-	-	-
Current	238.45	13	-	-	-
Trade payables (including Acceptances)	393.91	15	-	-	-
Lease liabilities	3.52	3C	-	-	-
Other financial liabilities (except derivatives)	38.27	16	-	-	-
Derivative Instruments not designated as hedge	0.18	16	-	0.18	-
Total Financial Liabilities	**856.80**		**-**	**0.18**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the current and previous year.

Note 32. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Loan	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange risk	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options contracts/forward
Market Risk- Equity price risk	Investment in Equity Securities, mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letter of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 32. Financial risk management objectives and policies (Contd..)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company borrows funds from domestic and international markets to meet its long-term and short-term funding requirements. It is subject to risks arising from fluctuations in interest rates. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ .1.56 Cr (Pre Tax)

The Company has investment in Bank Deposits and hence is exposed to interest rate sensitivity. 0.5% changes in interest rate will increase/ decrease interest income by ₹ 0.02 Cr

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 ₹ of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.In order to hedge the foreign currency risk on foreign payables, the Company has taken foreign exchange forward / call spread contracts, which are as follows.

a) Derivative outstanding as at the reporting date

Nominal value of forward contracts & option contracts that hedge monetary 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, 2024	March 31, 2023
Derivatives not designated as hedge			
Forward contract	USD	171.53	76.84

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2024							March 31, 2023				
	USD	SEK	ZAR	TRY	EUR	GBP	AUD	USD	SEK	ZAR	GBP	AUD
Trade Receivable	193.92	-	96.09	27.56	46.04	-	81.19	203.89	-	73.35	-	30.62
Loans	206.42	-	-			-	-	351.26	-	-	-	-
Other Financial Assets	15.84	-	-			-	-	-	-	-	-	-
Capital Creditors	0.02	0.19	-		-	0.68	-	-	-	-	0.66	-
Trade Payables (including Acceptances)*	167.44	-	-	-	0.04	-	0.01	77.09	-	-	-	0.00

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 32. Financial risk management objectives and policies (Contd..)

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

	March 31, 2024	March 31, 2023
USD	2.49	4.78
SEK *	(0.00)	-
ZAR	0.96	0.73
TRY	0.28	-
GBP*	(0.01)	0.00
EURO	0.46	-
AUD	0.81	0.31

* Amount is less than ₹ 0.01

Equity price risk

The Company’s listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company’s senior management on a regular basis. The Company’s Board of Directors reviews and approves all equity investment decisions.

	March 31, 2024	March 31, 2023
Investment in mutual funds	213.44	20.00

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and gain/ loss for the year would be ₹ 2.13 (March 31, 2023: ₹ 0.20) (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.

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, 2024

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, 2024	476.16	63.88	74.62	614.66
As at March 31, 2023	409.45	47.14	89.92	546.51

The following table summarizes the changes in the provisions made for the receivables:

	March 31, 2024	March 31, 2023
Opening balance	7.05	14.41
Provided/(Reversed) during the year	2.49	(7.36)
Closing balance	**9.54**	**7.05**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2024						
Borrowings						
From Banks (net of interest accrued but not due)	-	24.02	63.74	154.72	-	242.48
From related party	-	-	-	-	-	-
Non Convertible Debenture	-	7.92	23.75	38.33	-	70.00
Trade payables (including Acceptances)	-	273.13	60.32	-	-	333.45
Other financial liabilities (excluding derivatives and lease liabilities)	0.07	39.17	15.30	0.93	-	55.47
Lease liabilities (Gross)	-	0.33	0.98	4.29	0.74	6.34
Derivative Instruments	-	0.49	-	-	-	0.49
March 31, 2023						
Borrowings						
From Banks (net of interest accrued but not due)	-	122.28	57.07	147.47	-	326.82
From related party	-	39.10	-	-	-	39.10
Non Convertible Debenture	-	5.00	15.00	35.00	-	55.00
Trade payables (including Acceptances)	-	316.86	77.05	-	-	393.91
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	25.70	12.52	-	-	38.27
Lease liabilities (Gross)	-	0.34	0.91	2.76	0.01	4.02
Derivative Instruments	-	-	0.18	-	-	0.18

Notes to Standalone Financial Statements
for the year ended March 31, 2024

Note 33. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents and bank balances.

	March 31, 2024	March 31, 2023
Net Debt (see note below)	36.09	342.76
Equity	2,346.47	1,767.45
Capital Employed	**2,382.56**	**2,110.21**
Net Gearing ratio	**1.51%**	**16.24%**

Note:-

Calculation of net debt is as follows :

	March 31, 2024	March 31, 2023
Borrowings		
Non-Current	193.05	182.47
Current	119.43	238.45
	312.48	**420.92**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	62.95	58.16
Current Investments	213.44	20.00
	276.39	**78.16**
Net Debt	**36.09**	**342.76**

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, 2024 and March 31, 2023.

Note 34. Research & Development Expenditure:

Nature	March 31, 2024	March 31, 2023
Revenue Expenditure	0.86	0.58
Total	**0.86**	**0.58**

Note:-

Revenue expenditure incurred on R&D has been included in the respective account heads in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 35. Revenue from operations

a. Principal revenue generation activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Company's disaggregate revenue by geographical location.

	March 31, 2024	March 31, 2023
India	2,661.53	3,359.12
Rest of the World	960.43	713.67
Total	**3,621.96**	**4,072.79**

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, 2024.

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

	March 31, 2024	March 31, 2023
Trade Receivables	605.12	539.46
Contract Liabilities	35.79	28.69

d. Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	March 31, 2024	March 31, 2023
Revenue as per contracted price	3,663.29	4,141.30
Adjustments for:		
Rebates, Discounts, Powder Factor and other deductions	(41.33)	(68.51)
Revenue from contract with customers	**3,621.96**	**4,072.79**

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, 2024, the aggregate amount of the transaction price allocated to order backlog was ₹ 4340.78 The Company expects to recognise revenue within two years.

Notes to Standalone Financial Statements

for the year ended March 31, 2024

Note 36. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2024	March 31, 2023	% change	Reason for varaince
Current Ratio	Current Asset	Current Liabilities	2.50	1.80	38.89%	Ratio has improved on account of repayment of working capital loan and related party loan
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.13	0.24	-45.83%	Ratio has improved on account of repayment of working capital loan and related party loan and increase in retained earning.
Debt Service Coverage Ratio	Earning available for Debt Service#	Debt Service^	6.64	8.05	-17.52%	
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	28.99%	28.43%	1.97%	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	34.78	40.03	-13.09%	
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	6.24	9.52	-34.25%	Ratio is decreased on account of mainly increase in trade receivable.
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payable	5.78	8.75	-33.94%	Ratio is decreased on account of increase in trade payable and decrease in purchase.
Net Capital Turnover Ratio	Net Sales	Average Working Capital	4.47	8.08	-44.68%	Ratio is decreased on account of decrease in sales & increse in average working capital.
Net Profit Ratio	Net Profit after Tax	Revenue from operation	16.04%	10.70%	49.91%	Ratio has improved mainly on account of increase in profit.
Return on Capital Employed Ratio	Earning Before Interest and Taxes	Average Capital Employeed*	32.63%	32.19%	1.37%	
Return on Investment Ratio	Non operating income from investment	Average Investment**	5.31%	12.40%	-57.18%	Mainly decreased due to increase in investment during the year.

Net Profit before Taxes+ Depreciation and Amortization+ Finance cost excluding Interest on Lease

* Tangible Net Worth + Total Debt + Deferred Tax Liabilities

**Investments includes Fixed Deposit

^ Finance cost + Interest on leases + Borrowing cost capitalised + Repayment made

Note 37. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2024	March 31, 2023
Principal amount outstanding (whether due or not) to micro and small enterprises	8.08	8.04
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, 2024

Note 38. Other Statutory Information:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 39: Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the SAP HANA application and the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of software.

Note 40 : The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events or transactions in the financial statements. As on May 16, 2024, there are no subsequent events to be recognized or reported.

Note 41 : Previous year's figures have been regrouped and rearranged where necessary to confirm to this year's classification.

Note 42: The financial statements were approved for issue by the Board of Directors on May 16, 2024

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date: May 16, 2024

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and a jointly controlled entity comprising of the consolidated Balance sheet as at March 31, 2024, 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 material 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, associates and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, jointly controlled entity in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. 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.	Our audit procedures included, amongst others the following: • Evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers).

Key audit matters	How our audit addressed the key audit matter
The Holding Company estimates the provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales for the period. As at March 31, 2024, the Holding Company is carrying a powder factor provision of ₹ 29.98 crore. This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.	• Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision. • Read the agreement with customers for validating terms relating to powder factor. • Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. • We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. • Evaluated the historical trend against the actual powder factor deduction. • Assessed and read the disclosures made by the Company in the consolidated financial statements.
Carrying value of trade receivables (as described in note 2.2 (i)(4) of the consolidated financial statements)	
As at March 31, 2024, 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 component auditors of Economic Explosives Limited ('EEL') and Solar Overseas Mauritius Limited ('SOML'), subsidiaries of the Holding Company have also reported key audit matter on the aforesaid topic.	Our audit procedures included, amongst others the following: • Evaluated the Holding Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 (Financial Instruments). • Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over provision for expected credit loss. • Evaluated management's assumption and judgment relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision. • Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. • Assessed and read the disclosures made by the Company in the consolidated financial statements. • In respect of the key audit matter reported to us by the component auditors, 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.
Fair Valuation of Non-current Investments (as described in note 2.2 (y) of the consolidated financial statements)	
The Holding Company has classified certain investment amounting to ₹ 121.61 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market.	Our audit procedures included, amongst others the following: • Obtained and read the fair valuation reports provided by the management by involvement of external valuation experts. • Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts.

Key audit matters	How our audit addressed the key audit matter
The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	• Involved internal experts to assess the Holding Company's valuation methodology and assumptions, applied in determining the fair value. • Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts. • Assessed the objectivity and competence of our internal expert and Holding Company's external specialists involved in the process. • Assessed and read the disclosures made by the Company in the consolidated financial statements.
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 subsidiary company has recently started operations in South Africa. Being in the initial years of operation, the entity has incurred significant losses. The management has recognised deferred tax assets on these losses amounting to ₹ 84.09 crore as at March 31, 2024 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. The component auditor 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 restatement loss. • Evaluated the progress made by the company in improving the profitability of the business in recent periods. • Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a 5 year plan. • Assessed the tax rate applied (27%) to the forecast future taxable profits and also the time period over which tax losses can be carried forward. • Assessed the performance of the company and the recoverability of losses in the other territories.

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 associates and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entity of which we are the independent auditors 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, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of ₹ 185.37 crore as at March 31, 2024, and total revenues of ₹ 187.47 crore and net cash inflows of ₹ 1.13 crore for the year ended on that date which have been audited by one of the joint auditors, whose 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 13 subsidiaries, whose financial statements include total assets of ₹ 3,137.20 crore as at March 31, 2024, and total revenues of ₹ 2,536.51 crore and net cash outflows of ₹ 23.88 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 12 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 906.21 crore as at March 31, 2024, and total revenues of ₹ 2.25 crore and net cash inflows of ₹ 11.35 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 ₹ 0.35 crore for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 3 associates and a jointly controlled entity, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associates, 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, jointly controlled entity and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph (vi) below on reporting under Rule 11(g);

(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, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries, and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g).

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates and jointly controlled entity, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entity in its consolidated financial statements – Refer Note 29 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 24 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entity and (b) the Group's share of net profit in respect of its associates and jointly controlled entity;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 12B to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year, for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes, if any, made using privileged/ administrative access rights, as described in note 41 to the consolidated financial statements. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEZ1463

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGED7036

Place: Nagpur
Date: May 16, 2024

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated IND as Financial Statements of Solar Industries India Limted

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In Terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Solar Industries India Limited	L74999MH1995PLC085878	Holding	3(iii)(c) & 3(ix)(a)
2	Economic Explosives Limited	U24292MH1995PLC091808	Subsidiary	3(iii)(c)
3	Solar Explochem Limited	U24290MH2022PLC381746	Subsidiary	3(ix)(a)
4	Emultek Private Limited	U24292MH2000PTC274027	Subsidiary	3(ix)(a)

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEZ1463

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGED7036

Place: Nagpur
Date: May 16, 2024

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Solar Industries India Limted

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

In conjunction with our audit of the consolidated financial statements of Solar Industries India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, 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 7 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 24039895BKABEZ1463

Place: Nagpur
Date: May 16, 2024

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 24105497BKFGED7036

Place: Nagpur
Date: May 16, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,919.14	1,614.04
Capital work-in-progress	3A	487.36	279.40
Goodwill	3B	29.81	10.66
Other Intangible assets	3C	41.60	48.12
Intangible assets under development	3C	2.43	2.63
Right-of-use assets	3D	37.17	29.01
Financial assets			
Investments	4	128.64	51.03
Invesmtents accounted using equity method	4	27.83	27.48
Loans	5	32.58	17.14
Other financial assets	6	113.58	159.41
Deferred tax assets (net)	9A	160.16	127.51
Current tax assets (net)		8.92	29.34
Other non-current assets	11	99.60	139.13
Total non-current assets		**3,088.82**	**2,534.90**
Current assets			
Inventories	10	846.82	1,097.99
Financial assets			
Investments	4	213.44	20.00
Trade receivables	7	844.85	825.28
Cash and cash equivalents	8	259.86	245.04
Bank balances other than cash and cash equivalents	8	27.40	15.05
Loans	5	3.22	11.76
Other financial assets	6	154.29	36.68
Other current assets	11	298.50	249.55
Total current assets		**2,648.38**	**2,501.35**
Total assets		**5,737.20**	**5,036.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	3,287.50	2,592.24
Equity attributable to shareholders		3,305.60	2,610.34
Non-controlling interests		121.65	140.36
Total equity		**3,427.25**	**2,750.70**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	583.55	472.71
Lease Liabilities	3D	23.76	18.95
Deferred tax liabilities (net)	19	197.78	158.93
Provisions	18	3.44	2.64
Total Non-current liabilities		808.53	653.23
Current liabilities			
Financial liabilities			
Borrowings	14	521.42	696.52
Lease Liabilities	3D	9.11	6.51
Trade payables	15	552.65	488.48
Other financial liabilities	16	107.37	68.60
Current tax Liabilities (net)		18.69	62.84
Other current liabilities	17	276.70	295.21
Provisions	18	15.48	14.16
Total current liabilities		**1,501.42**	**1,632.32**
Total liabilities		**2,309.95**	**2,285.55**
Total equity and liabilities		**5,737.20**	**5,036.25**
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

Consolidated Statements of Profit and Loss

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	20	6,069.52	6,922.53
Other income	21	44.47	31.52
Total income		**6,113.99**	**6,954.05**
Expenses			
Cost of materials consumed	22A	2,709.97	3,819.54
Purchases of stock-in-trade		402.58	560.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	83.62	(37.39)
Employee benefit expense	23	433.46	352.72
Depreciation and amortization expense	26	143.38	128.21
Other expenses	24	1,070.68	938.52
Finance costs	25	109.37	90.38
Total expenses		**4,953.06**	**5,852.20**
Profit before Share of Profit / (Loss) of joint ventures and associates (net), Exceptional items and Tax		**1,160.93**	1,101.85
Share of Profit / (loss) of joint ventures and associates (net of tax)		0.35	(0.27)
Profit before tax		**1,161.28**	**1,101.58**
Tax expense			
- Current tax		307.24	312.83
- Adjustment of tax relating to earlier periods		(1.60)	1.20
- Deferred tax		(19.59)	(23.62)
Total tax expense	19	**286.05**	**290.41**
Profit for the year		**875.23**	**811.17**
Other comprehensive income/(loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurement gain/ (loss) on defined benefit plans		(0.42)	(0.44)
Income tax effect		0.11	0.11
Remeasurement gain/ (loss) on Investment in Equity instruments		71.69	32.42
Income tax effect		(16.70)	(7.55)
		54.68	**24.54**
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		(3.21)	3.30
Income tax effect		0.21	(0.10)
Exchange difference on translation of foreign operations		(232.01)	(71.65)
Income tax effect		8.54	12.28
		(226.47)	**(56.17)**
Total other comprehensive income/(loss) for the year, net of tax		**(171.79)**	**(31.63)**
Total comprehensive income for the year		**703.44**	**779.54**
Net profit attributable to			
a) Owners of the company		835.93	757.19
b) Non-controlling interest		39.30	53.98
		875.23	**811.17**
Other comprehensive income attributable to			
a) Owners of the company		(117.12)	(12.91)
b) Non-controlling Interest		(54.67)	(18.72)
		(171.79)	**(31.63)**
Total comprehensive income attributable to			
a) Owners of the company		718.81	744.27
b) Non-controlling Interest		(15.37)	35.27
		703.44	**779.54**
Earnings per equity share (Face value ₹ 2 per share) (in rupees)			
Basic and Diluted earnings per share	27	92.38	83.68
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

Place: Nagpur
Date: May 16, 2024

Place: Nagpur
Date: May 16, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before share of Profit/(Loss) of joint ventures and associates(net), Exceptional items and Tax	**1,160.93**	**1,101.85**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	143.38	128.21
Discard of property, plant and equipment (net)	0.17	3.73
Profit on sale of non current assets held for sale	-	(0.57)
Net (gain) /loss on disposal of property, plant and equipment	(1.59)	(2.61)
Net (gain)/loss on financial assets measured at fair value through profit or loss	(1.89)	(0.40)
Loss relating to Company's subsidiaries operating in hyperinflationary economy	111.64	47.80
Profit on sale of financial assets carried at fair value through profit or loss	(5.16)	(1.73)
Dividend and interest income	(29.39)	(16.31)
Provision of inventory	0.60	10.07
Provision for customer contract Obligation	5.43	-
Impairment (gain)/loss on financial asset	27.78	21.86
Provision written back	(0.01)	(0.49)
Finance costs	109.37	90.38
Bad debts written off	0.60	17.67
Sales tax mega project (PF Incentive) written off	-	4.12
Interest on Loan given written back	(2.55)	-
Advances/others written off/written back	(1.84)	9.68
Effect of exchange rate change	7.67	24.35
Operating profit before working capital changes	1,525.14	1437.61
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(51.10)	(323.34)
(Increase)/Decrease in inventories	262.25	(389.19)
Increase/(Decrease) in trade payables	56.25	23.98
(Increase) /Decrease in other assets	(76.49)	(18.35)
Increase /(Decrease) in other liabilities	(10.49)	180.18
Cash generated from operations	**1,705.56**	**910.89**
Less : Income taxes paid	299.55	254.41
Net cash flows from operating activities	**1406.01**	**656.48**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(559.75)	(479.11)
Proceeds from sale of property, plant and equipment	11.30	6.02
Loans (given) to/ repaid by others-current/non-current	(7.23)	(4.87)
Proceeds/ (Purchase) from sale of non-current investments	(0.50)	(27.74)
Proceeds/ (Purchase) from sale of current investments	(186.53)	(18.27)
(Investment)/Redemption in fixed deposits	7.55	(0.98)
Dividend and interest income received	8.70	5.97
Net cash flows used in investing activities	**(726.46)**	**(518.97)**
Cash flows from financing activities		
Proceeds from non-current borrowings	339.62	408.87
Repayment of non-current borrowings	(304.23)	(224.92)
Proceeds from/ (Repayment) of current borrowings	(190.99)	94.76
Lease Liabilities	(7.39)	(6.13)
Interest paid	(130.70)	(86.55)
Dividend paid to non controlling interest	(4.22)	-
Dividend paid	(72.37)	(67.87)
Net cash flows (used in)/ from financing activities	**(370.28)**	**118.16**
Exchange difference arising on conversion debited to foreign currency translation reserve	**(232.01)**	**(71.65)**
Net loss on account of Company's subsidiaries operating in hyperinflationary economy	**(62.73)**	**(23.65)**
Net increase in cash and cash equivalents	**14.53**	**160.37**
Add:-Cash and cash equivalents at the beginning of the year	245.04	84.67
Add:-Cash and cash equivalents of subsidiary acquired	0.29	-
Cash and cash equivalents at end of the year	**259.86**	**245.04**

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, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Change in liabilities arising from financing activities

	March 31, 2023	Cash flows	Other Adjustment	Foreign exchange impact	March 31, 2024
Current borrowings (excluding current maturities long term borrowing)	331.70	(190.99)	58.17	-	198.88
Non-current borrowings (including current maturities long term borrowing)	837.49	35.39	-	33.47	906.35
Lease Liabilities	25.46	(7.39)	14.80	-	32.87
Total liabilities from financing activities	**1,194.65**	**(162.99)**	**72.97**	**33.47**	**1,138.10**

	March 31, 2022	Cash flows	Other Adjustment	Foreign exchange impact	March 31, 2023
Current borrowings (excluding current maturities long term borrowing)	236.94	94.76	-	-	331.70
Non-current borrowings (including current maturities long term borrowing)	629.14	183.95	-	24.40	837.49
Lease Liabilities	21.89	(6.13)	9.69	-	25.46
Total liabilities from financing activities	**887.97**	**272.58**	**9.69**	**24.40**	**1,194.65**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
At April 01, 2022 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2023 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2024 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**

B. Other Equity

	Reserves and surplus					Other comprehensive income						
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Remeasurement loss on defined benefit plans (net of tax)	Equity Instrument (Note 12 A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest	Total
Balance as at April 01, 2022	**149.13**	**1,092.26**	**16.54**	**831.06**	**2,088.99**	**5.79**	**2.24**	**-**	**(200.84)**	**1,896.18**	**100.63**	**1,996.81**
Total profit for the year	-	757.19	-	-	757.19	-		-	-	757.19	53.98	811.17
Transfer from retained earnings	-	-	-	119.76	119.76	-		-	-	119.76	-	119.76
Transfer to General reserve	-	(119.76)	-	-	(119.76)	-		-	-	(119.76)	-	(119.76)
								-		-		
Other comprehensive income								-		-		
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	-	-	(0.33)	-	-	(0.33)	-	(0.33)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	3.20		-	-	3.20	-	3.20
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-		-	(40.68)	(40.68)	(18.72)	(59.40)
Remeasurement gain/(loss) on Investment in Equity Instrument	-	-	-	-	-			24.87		24.87		24.87
Dividend paid	-	(67.87)	-	-	(67.87)	-		-	-	(67.87)	-	(67.87)
Opening reserve transferred from NCI to Owners upon change in NCI holding	-	(4.47)	-	-	(4.47)	-		-	-	(4.47)	4.47	-
Net gain on account of Company's subsidiaries operating in hyperinflationary economy	-	24.15	-	-	24.15	-		-	-	24.15	-	24.15
Balance as at March 31, 2023	**149.13**	**1,681.50**	**16.54**	**950.82**	**2,797.99**	**8.99**	**1.91**	**24.87**	**(241.52)**	**2,592.24**	**140.36**	**2,732.60**

Consolidated Svtatement of Changes in Equity for the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

B. Other Equity (Contd..)

	Reserves and surplus					Other comprehensive income						
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Remeasurement loss on defined benefit plans (net of tax)	Equity Instrument (Note 12 A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest	Total
Balance as at April 01, 2023	**149.13**	**1,681.50**	**16.54**	**950.82**	**2,797.99**	**8.99**	**1.91**	**24.87**	**(241.52)**	**2,592.24**	**140.36**	**2,732.60**
Total profit for the year	-	835.93	-	-	835.93	-	-	-	-	835.93	39.30	875.23
Transfer from retained earnings	-	-	-	101.42	101.42	-	-	-	-	101.42	-	101.42
Transfer to General reserve	-	(101.42)	-	-	(101.42)	-	-	-	-	(101.42)	-	(101.42)
	-	-	-	-		-	-	-	-	-		
Other comprehensive income							-	-		-		
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	(3.00)	-	-	-	(3.00)	-	(3.00)
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	-		(0.31)		-	(0.31)	-	(0.31)
Remeasurement gain/(loss) on Investment in Equity Instrument					-		-	54.99		54.99		54.99
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	-	-	(168.80)	(168.80)	(54.67)	(223.47)
Dividend paid	-	(72.39)	-	-	(72.39)	-	-	-	-	(72.39)	(8.63)	(81.02)
Others	-	-	-	-	-	-	-	-	(0.07)	(0.07)	-	(0.07)
Movement in NCI due to change in ownership	-	-	-	-	-	-	-	-	-	-	5.29	5.29
Net gain on account of Company's subsidiaries operating in hyperinflationary economy	-	48.91	-	-	48.91	-		-	-	48.91	-	48.91
Balance as at March 31, 2024	**149.13**	**2,392.53**	**16.54**	**1,052.24**	**3,610.44**	**5.99**	**1.60**	**79.86**	**(410.39)**	**3,287.50**	**121.65**	**3,409.15**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
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Manish Nuwal
Managing Director &
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DIN: 00164388

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Executive Director
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Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (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: Basis of preparation and material 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) from time to time as presentation requirement of division II of schedule III to the companies act 2013.

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, 2024. 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) The financial statements of Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi and Solar Madencilik Hizmetleri A.S.(Turkey), Solar Nitro Ghana Limited (Ghana) and Solar Nitro Zimbabwe (Private) Limited (Zimbabwe) step-down subsidiaries, whose functional currency is the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the end of the reporting period in accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies.

Several factors are considered when evaluating whether an economy is hyperinflationary, including the cumulative three-year inflation and the degree to which the population's behaviours and government policies are consistent with such conditions.

The index used to apply hyperinflation accounting is the Consumer Price Index published by Turkish, Statistical Institute (TurkStat), Ghana Statistical Services and Zimbabwe Statistical Associations which are an independent public institutions in respective countries.

(e) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Details of group companies included in Consolidated Financial Statements are as under:

	Name	Country	% Equity Interest	
			March 31, 2024	March 31, 2023
A	**Subsidiaries**			
1	**Indian subsidiaries**			
A	Economic Explosives Limited	India	100.00%	100.00%
B	Emul Tek Private Limited	India	100.00%	100.00%
C	Solar Defence Limited (Note i)	India	100.00%	100.00%
D	Solar Defence Systems Limited (Note - i)	India	100.00%	100.00%
E	Solar Avionics Limited (note i)	India	100.00%	100.00%
F	Solar Explochem Limited	India	100.00%	100.00%
2	**Indirect Subsidiaries**			
	Rajasthan Explosives and Chemicals Limited (note-iii)	India	0.00%	0.00%
3	**Overseas subsidiary**			
A	Solar Overseas Mauritius Limited	Mauritius	100.00%	100.00%
4	**Overseas step-down subsidiaries**			
A	Solar Mining Services Pty Limited, South Africa	South Africa	93.62%	93.62%
B	Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	Nigeria	55.00%	55.00%
C	Solar Overseas Netherlands B.V.	Netherlands	100.00%	100.00%
D	Solar Explochem Zambia Limited	Zambia	65.00%	65.00%
E	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey	100.00%	100.00%
F	P.T. Solar Mining Services	Indonesia	100.00%	100.00%
G	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey	53.00%	53.00%
H	Solar Nitro Ghana Limited	Ghana	90.00%	90.00%
I	Solar Madencilik Hizmetleri A.S	Turkey	100.00%	100.00%
J	Solar Overseas Netherlands Cooperative U.A	Netherlands	100.00%	100.00%
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 (Note-i)	Zimbabwe	100.00%	100.00%
N	Solar Nitro chemicals Limited	Tanzania	65.00%	65.00%
O	Solar Mining Services Pty Ltd, Australia	Australia	100.00%	100.00%
P	Solar Mining Services Cote d'Ivoire Limited SARL (Note- i)	Ivory Coast	100.00%	100.00%
Q	Solar Venture Company Limited	Tanzania	55.00%	55.00%
R	Solar Mining Services Burkina Faso SARL(Note-i)	Burkina Faso	100.00%	100.00%
S	Solar Mining Services Albania	Albania	100.00%	100.00%
T	Solar Nitro SARL (Note-i)	Ivory Coast	85.00%	85.00%
U	Solar Nitro Kazakhstan Limited (Note-i and Note iv)	Kazakhstan	59.40%	0.00%
V	Solar Nitro (SL) Limited (Note-i and Note-v)	Sierra Leone	100.00%	0.00%
W	Power Blast LLP (Note-i and Note-vi)	Kazakhstan	100.00%	0.00%
B	**Associates**			
a	Zmotion Autonomous Private Limited	India	45.99%	45.99%
b	Solar United Company Limited (Note-i and Note -vii)	Saudi Arabia	49.00%	0.00%
c	Ortiz Investment (Pty) Limited (Note – viii)	South Africa	49.00%	0.00%
C	**Entities with Joint control or significant influence over the entity**			
a	ASTRA Resources Pty Limited	South Africa	49.00%	49.00%

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- Note i: The entity has not commenced its business operations.
- Note ii: The entity is under liquidation.
- Note iii: Subsidiary of Emul Tek Private Limited with effect from December 16, 2023
- Note iv: The entity was incorporated on May 05, 2023
- Note v: The entity incorporated on November 7, 2023
- Note-vi: Acquired by Solar Nitro Kazakhstan Limited with effect from October 1, 2023
- Note vii: The entity incorporated on July 18, 2023
- Note viii: The entity incorporated on May 09, 2023

2.2 Summary of material accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Group. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future

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economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Know how/ TOT/Intangible Assets is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight-Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 20
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

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Assets	Group's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Transfer of Technology, Technical know-how	5 to 10
Product Development	5

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets, Goodwill and Right-of-use assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including provision on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying

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amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment 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

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that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

h. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building — 2 to 10 years
- Leasehold Land — 30 to 99 years
- Warehouse — 1 to 5 years
- Vehicle — 2 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Group lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those 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

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financial assets is included in other income.

B. Equity instruments:

B.1 Fair value through OCI:

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Financial liabilities

Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortised cost

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Measurement

A. Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

4. Impairment of financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Group measures the ECL

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associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

- **Powder Factor**

  The Group estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

- **Other Deductions**

  The Group accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site etc. The aforesaid charges are deducted by the customer, and are deducted from consideration from sale of product which is disclosed in reconciliation of contract price with revenue.

2. **Significant financing component**

In many cases, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

b. **Sale of projects:**

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

c. **Interest Income:**

Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

d. **Dividend:**

Dividend income is recognised when the Group's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of revenue recognition in note no. 2.2 (j) for initial recognition and financial assets in note no. 2.2 (i) (1) financial instruments subsequent measurement.

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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 has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies transactions and translations

The Group's consolidated financial statements are presented in INR, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's 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).

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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

(i) 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. 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.

(ii) Provision for Inventory

The Group maintains a policy for provisioning based on shelf life and other factors i.e. obsolescence or deterioration. For each category of inventory, the Group applies the policy to estimate the provision.

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Group and its Indian Subsidiaries for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance Group in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date. Overseas subsidiaries do not operate any defined benefit plans for employees.

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for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Holding Company and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expense

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Sales/ value added taxes / GST paid on acquisition of assets or on incurring expenses

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Expenses and assets are recognized net of the amount of sales / value added taxes / GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Provision for uncertain income tax positions/ treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

(ii) Segment accounting policies

The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet dae 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.

Notes to Consolidated Financial Statements

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For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for 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

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- 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. Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during 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.

Expenditure on research and development eligible for capitalization are carried as Capital Work-in Progress 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 depreciation period and the depreciation method for intangible assets with a finite useful life are reviewed at each reporting date.

y. 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.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 34
- Financial risk management objectives and policies Note 33
- Sensitivity analyses disclosures Notes 33

Useful Lives of Property, Plant & Equipment

The Group uses its technical expertise along with historical trends for determining the useful

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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Powder factor deductions

The Group estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 and 2013 (PSI)

The Group is eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, in the form of State Government GST / Sales tax subsidy / reimbursement of provident fund. The eligibility of the benefits are subject to the Group confirming the terms and conditions mentioned in the eligibility certificate. The Group uses judgement to establish the recoverability and the timings of the receipts.

Lease

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease for example, when leases are not in the subsidiary's functional currency. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.3 Changes in accounting policies and disclosures

New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more

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useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

2.4 Amendments not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended M arch 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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Note 3A : Property, Plant and Equipment

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year ended March 31, 2023							
Opening gross carrying amount as at April 01, 2022[1]	**153.47**	**787.64**	**22.07**	**762.38**	**69.52**	**25.52**	**1,820.60**
Exchange differences	(0.38)	(26.17)	(0.49)	(4.08)	(0.41)	0.32	(31.21)
Additions	47.63	95.89	5.30	126.15	28.38	9.29	312.64
Disposals	(0.23)	(0.26)	-	(4.00)	(3.05)	(1.36)	(8.90)
Assets written off#	-	(1.71)	(0.03)	(5.77)	-	(0.13)	(7.64)
Closing gross carrying amount as at March 31, 2023	**200.49**	**855.39**	**26.85**	**874.68**	**94.44**	**33.64**	**2,085.49**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2022 [1]	-	132.64	9.84	219.45	28.66	13.61	404.20
Depreciation charge for the year	-	36.34	2.65	58.92	9.67	4.25	111.83
Disposals	-	-	-	(2.33)	(1.86)	(1.29)	(5.48)
Assets written off#	-	(0.67)	(0.03)	(4.10)	-	(0.11)	(4.91)
Exchange differences	-	(36.99)	(1.57)	3.96	0.20	0.21	(34.19)
Closing accumulated depreciation as at March 31, 2023	**-**	**131.32**	**10.89**	**275.90**	**36.67**	**16.67**	**471.45**
Net carrying amount as at March 31, 2023	**200.49**	**724.07**	**15.96**	**598.78**	**57.77**	**16.97**	**1614.04**
Year ended March 31, 2024							
Opening Gross carrying amount as at April 01, 2023	200.49	855.39	26.85	874.68	94.44	33.64	2,085.49
Assets acquired of subsidiary (refer note 39)	0.04	15.24	0.11	19.97	0.17	0.45	35.98
Exchange differences	(1.57)	(43.07)	(2.65)	(29.45)	(5.33)	(1.18)	(83.25)
Additions	174.34	109.52	7.21	119.70	11.68	11.60	434.05
Disposals	(2.21)	(0.24)	(0.05)	(12.42)	(4.35)	(0.12)	(19.39)
Assets written off#	-	(0.34)	(0.03)	(1.79)	-	-	(2.16)
Closing gross carrying amount as at March 31, 2024	**371.09**	**936.50**	**31.44**	**970.69**	**96.61**	**44.39**	**2450.72**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2023	-	131.32	10.89	275.90	36.67	16.67	471.45
Accumulated depreciation of Subsidiary acquired during the year	-	1.63	0.02	2.52	0.01	0.12	4.30
Depreciation charge for the year	-	41.21	3.18	64.37	10.41	5.87	125.04
Disposals	-	-	(0.03)	(5.20)	(4.35)	(0.09)	(9.67)
Assets written off#	-	(0.15)	(0.02)	(0.87)	-	-	(1.04)
Exchange differences	-	(36.54)	(2.13)	(18.49)	(1.25)	(0.09)	(58.50)
Closing accumulated depreciation as at March 31, 2024	**-**	**137.47**	**11.91**	**318.23**	**41.49**	**22.48**	**531.58**
Net carrying amount as at March 31, 2024	**371.09**	**799.03**	**19.53**	**652.46**	**55.12**	**21.91**	**1,919.14**

[1] 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.

2. 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 13 and 14).

3. The amount of borrowing costs capitalised during the year ended March 31, 2024 was ₹ 6.31 (March 31, 2023: ₹ 3.28). The rate used to determine the amount of borrowing costs eligible for capitalisation is 8.12 % - 8.42%, which is the effective interest rate of the borrowing made specifically to acquire/ constructing the qualifying assets (refer note 25).

4. # The Group has discarded certain assets based on the physical verification conducted. During the year ended on March 31, 2024, the loss on such assets is ₹ 1.13 (net) (March 31, 2023: ₹ 2.73) in Building, Furniture and Fixture, Office Equipment and Plant & Machinery due to wear and tear over a period of time.

5. Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A:Capital Work in Progress

	Freehold Land	Buildings	Furniture and fittings	Plant and Machinery	Vehicles	Office Equipement and computers	Total
Year Ended March 31,2023							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2022[1]	4.54	71.36	0.18	142.69	0.16	2.20	221.13
Additions	56.15	111.04	4.22	152.71	26.81	8.63	359.56
Addition in Exchange differences	(4.81)	1.75	0.05	(1.43)	(0.33)	(0.08)	(4.85)
Less:- Capitalisation	(47.63)	(97.05)	(3.83)	(113.60)	(24.12)	(8.77)	(295.00)
Asset Written off/Provision#	-	(0.98)	-	(0.46)	-	-	(1.44)
Adjustment of Intesrest Capitalised							
Closing gross carrying amount as at March 31, 2023	**8.25**	**86.12**	**0.62**	**179.91**	**2.52**	**1.98**	**279.40**
Year Ended March 31,2024							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2023[1]	8.25	86.12	0.62	179.91	2.52	1.98	279.40
Assets acquired of Subsidiary (refer note 39)	-	3.25	-	2.92	-	-	6.17
Additions	174.34	186.20	7.84	250.21	11.15	15.86	645.60
Addition in Exchange differences	(5.47)	(1.18)	0.03	(4.63)	(0.88)	(0.02)	(12.15)
Less:- Capitalisation	(174.35)	(109.21)	(7.18)	(118.75)	(10.67)	(11.50)	(431.66)
Closing gross carrying amount as at March 31, 2024	**2.77**	**165.18**	**1.31**	**309.66**	**2.12**	**6.32**	**487.36**

The Group has written off/ provided for certain assets based on management assesment. During the year ended on March 31, 2024, the loss is ₹ Nil (March 31, 2023: ₹ 1.44)

Note 3. A.1 : Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2024

(a) CWIP ageing schedule

	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	283.81	98.21	30.88	74.28	487.18
- Projects temporarily suspended	-	-	-	0.18	0.18
Total	**283.81**	**98.21**	**30.88**	**74.46**	**487.36**

(b) CWIP overdue completion schedule

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda		0.18	-	-	0.18

B. CWIP ageing as on March 31, 2023

(a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	151.02	38.75	29.85	59.53	279.15
- Projects temporarily suspended	-	-	-	0.25	0.25
Total	**151.02**	**38.75**	**29.85**	**59.78**	**279.40**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A:Capital Work in Progress (Contd..)

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	0.25	-	-	-	0.25

Note 3B: Goodwill

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	10.66	9.89
Addition during the year on account of subsidiary acquired	19.00	-
Foreign currency exchange gain/(loss)	0.15	0.77
Balance at the end of the year	**29.81**	**10.66**

Impairment test for goodwill

Goodwill acquired through business combination has been considered for impairment testing.

The recoverable value of goodwill relating to Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (''SPMS") ₹ 5.46, Solar Mining Services Pty Ltd -Australia ('SMS-Aus') ₹ 4.09 and Solar Venture Company Limited ('SVC') ₹ 0.55 as at March 31, 2024, 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 SVC, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in cash flow estimates. The discount rate calculation is based on specific circumstances of the Group, SPMS and SMS-Aus and SVC is derived from its weighted average cost of capital (WACC) of each of the entities. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the entity's investors. The cost of debt is based on the interest bearing borrowings the entity is obliged to service. Adjustments to discount rates are made to factor to specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

The Management has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of SPMS and SMS-Aus and SVC CGUs to exceed its recoverable amount.

During the year, pursuant to the Business Acquisition Agreement dated April 10, 2023 ('BAA') entered between Emul Tek Private Limited, a wholly-owned subsidiary of the Company, ('ETPL'), Rajasthan Explosives and Chemicals Limited ('RECL') and its shareholders for acquiring the entire business and undertaking of RECL through scheme of merger, ETPL on December 16, 2023, acquired control of RECL.The said control is acquired by appointing majority of directors on the board of RECL, appointing and designating representatives of ETPL as the Key managerial personnel and governing policy decisions of RECL by a person or persons acting individually or in concert, including by virtue of management rights of RECL as set out in the BAA. Accordingly, RECL has been consolidated w.e.f. December 16, 2023 in accordance with Ind AS 103 - Business Combination and recorded a goodwill of ₹ 19.00 Crore.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill (Contd..)

Group has filed the scheme of merger with National Company Law Tribunal ('NCLT') dated February 26, 2024 and is pending for approval.

Pursuant to obtaining control, the Holding Company has accounted the fair value of the assets acquired and liabilities assumed as at the acquisition date as per the requirements of Ind AS 103. (Refer note 39)

The remaining amount of goodwill of ₹ 0.71 (March 31, 2023 ₹ 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

Particulars	Software & License	Product Development Cost	Know how/ TOT[2]	Total
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2022[1]	**8.43**	**15.98**	**43.18**	**67.59**
Addition	2.37	14.44	0.64	17.45
Gross carrying amount as at March 31, 2023	**10.80**	**30.42**	**43.82**	**85.04**
Accumulated amortisation				
Opening accumulated depreciation as at April 01, 2022[1]	**3.12**	**9.07**	**14.44**	**26.63**
Amortisation for the year	1.77	3.90	4.62	10.29
Accumulated amortization as at March 31, 2023	**4.89**	**12.97**	**19.06**	**36.92**
Net carrying amount as at March 31, 2023	**5.91**	**17.45**	**24.76**	**48.12**
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2023	**10.80**	**30.42**	**43.82**	**85.04**
Addition	6.02	-	-	6.02
Gross carrying amount as at March 31, 2024	**16.82**	**30.42**	**43.82**	**91.06**
Accumulated amortisation				
Opening accumulated amortisation as at April 01, 2023	**4.89**	**12.97**	**19.06**	**36.92**
Amortisation for the year	3.06	4.82	4.66	12.54
Accumulated amortization as at March 31, 2024	**7.95**	**17.79**	**23.72**	**49.46**
Net carrying amount as at March 31, 2024	**8.87**	**12.63**	**20.10**	**41.60**

Note 3C: Intangible Assets under development

Particulars	Transfer of Technology (ToT)	Software & Licence	Product development Cost	Total
Gross carrying amount				
Opening carrying amount as at April 1,2022	0.11	0.13	9.00	9.24
Additions	0.54	4.87	5.44	10.85
Less:- Capitalisation	(0.64)	(2.38)	(14.44)	(17.46)
Closing Carrying amount as at March 31, 2023	**0.01**	**2.62**	**-**	**2.63**
Year Ended March 31, 2024				
Gross carrying amount				
Opening Carrying Amount as at April 1, 2023	0.01	2.62	-	2.63
Additions	0.31	5.51	-	5.82
Less:- Capitalisation	-	(6.02)	-	(6.02)
Closing Carrying amount as at March 31, 2024	**0.32**	**2.11**	**-**	**2.43**

[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] This represents Cast Booster Technical know-how for limited period of 5 Years, Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for limited period of 10 years and Transfer of Technology of Multi Role Precisison Kill Systems by Godavri Explosives Limited for a limited period of 5 years .

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset (Contd..)

3CA. Intangible Asset Under Development(IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2024

(a) IAUD ageing schedule

	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	2.43	-	-	-	2.43
- Projects temporarily suspended	-	-	-	-	-
Total	**2.43**	**-**	**-**	**-**	**2.43**

(b) IAUD overdue completion schedule

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	-	-	-	-	-

B. IAUD ageing as on March 31, 2023

(a) IAUD ageing schedule

	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	2.63	-	-	-	2.63
- Projects temporarily suspended	-	-	-	-	-
Total	**2.63**	**-**	**-**	**-**	**2.63**

(b) IAUD overdue completion schedule

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	-	-	-	-	-

Note 3D Leases

Group as Lessee

The Group has lease contracts for Office buildings, Leasehold land, Warehouse and Vehicles. Leases of office building generally have lease terms between 2 and 10 years, leasehold land generally have lease terms between 30 and 99 years, warehouse generally have lease terms between 2 and 5 years, vehicles generally have lease terms between 2 and 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2023						
As at April 01, 2022	**4.59**	**16.88**	**3.35**	**0.01**	**0.64**	**25.48**
Additions	4.42	0.51	1.40	-	2.13	8.46
Foreign exchange adjustments	0.74	(0.50)	0.83	0.01	1.79	2.87
Disposals	(0.33)	(0.62)	(0.71)	-	-	(1.66)
Depreciation*	(2.39)	(0.99)	(1.92)	(0.00)	(0.83)	(6.14)
As at March 31, 2023	**7.03**	**15.28**	**2.95**	**0.02**	**3.73**	**29.01**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 3D Leases (Contd.)

	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2024						
As at April 01, 2023	**7.03**	**15.28**	**2.95**	**0.02**	**3.73**	**29.01**
Additions	3.98	2.05	4.21	-	1.46	11.70
Foreign exchange adjustments *	0.00	2.83	0.11	0.01	0.06	3.01
Disposals	-	(0.63)	(0.12)	-	-	(0.75)
Depreciation *	(2.71)	(1.10)	(1.47)	(0.00)	(0.51)	(5.80)
As at March 31, 2024	**8.30**	**18.43**	**5.68**	**0.03**	**4.74**	**37.17**

* Amount is less than ₹ 0.01

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	March 31, 2024	March 31, 2023
Opening balance	**25.46**	**21.89**
Additions	11.63	8.43
Accretion of interest	2.29	1.99
Foreign exchange adjustments	0.14	(0.17)
Payments	(6.65)	(6.69)
Closing balance	**32.87**	**25.46**
Current	9.11	6.51
Non-current	23.76	18.95

The maturity analysis of lease liabilities are disclosed in Note 33.

The incremental borrowing rate for lease liabilities is 6.60 % to 14.99 %, with maturity between 2021-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	5.80	6.14
Interest expense on lease liabilities	2.29	1.99
Expense relating to short-term leases (included in other expenses)	10.39	9.71
Total amount recognised in profit or loss	**18.48**	**17.84**

The Group had total cash outflows for leases of ₹ 18.87 in March 31, 2024 (₹ 18.06 in March 31, 2023).

Note 4 : Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unquoted					
Investment carried at Cost					
Astra Resources Pty Limited	-	173	-	6.38	-
Solar United Co. Limited*	Riyal 10	9,80,000		0.00	
Ortiz Investments Pty Ltd*	ZAR 1	490		0.00	

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments (Contd..)

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others (Unquoted)					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.50	0.43
Bravo Business Agency SARL	USD 100	20	20	0.01	0.01
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 15,502	500	500	0.09	0.61
Quoted					
Investment in Mutual Fund (Quoted)					
ICICI Prudential Short Term Fund Direct Plan		8,610.17	10,440.14	0.05	0.06
				7.03	**1.11**
Investment carried at Fair Value through Other Comprehensive Income (Unquoted)					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	19,300	121.58	49.91
Equity Shares of Skyroot Aerospace Private Limited#	₹ 1	5	5	0.03	0.01
		19,305	**19,305**	**121.61**	**49.92**
				128.64	**51.03**
Invesmtents accounted using equity method					
Investment in Equity Instruments of Associate :					
Equity shares of Zmotion Autonomous System Private Limited	₹ 1	8,75,880	8,75,880	27.83	27.48
				156.47	**78.51**
Aggregate amount of Investments				**156.47**	**78.51**
Aggregate amount of impairment in value of investments				-	-

* Amount is less than ₹ 0.01

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unquoted					
Investment carried at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Ltd.*	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.*	₹ 1	5,000	5,000	-	-
(*Under liquidation)					
Quoted					
Investment carried at fair value through profit & loss					
Investment in Mutual Funds (fully paid-up)					
SBI Overnight Fund (Direct Growth)	₹ 10	5,47,884.83	54,814.26	213.44	20.00
Aggregate amount of unquoted investments and market value thereof (refer note 32)				**213.44**	**20.00**

Investment in Skyroot Aerospace Private Limited has been classified as fair value through other comprehensive income as it is a strategic investment for the Company and is not held for trading purpose. Accordingly fair value gain amounting to ₹ 71.69 has been accounted in other comprehensive income for the year ended March 31, 2024. (March 31, 2023 ₹ 32.42 Cr)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Loans

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 30C)	-	32.58	-	17.14
- Others	3.22	-	11.76	-
Total loans	**3.22**	**32.58**	**11.76**	**17.14**

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.

2. No Loans receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any Loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6 : Other financial assets

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 32)	17.36	-	-	-
	17.36	**-**	**-**	**-**
Derivative Instruments at fair value through OCI				
Interest rate swaps (refer note 32)	8.63	-	9.21	-
	8.63	**-**	**9.21**	**-**
Others				
State Government Incentive Receivables	114.61	99.77	15.20	149.97
Other receivables	9.33	-	0.98	-
Other deposits	1.74	2.46	1.42	-
Security Deposits and Earnest Money Deposits	2.28	11.35	9.58	9.44
Interest accrued from related party (refer note 30C)	0.19	-	-	-
Interest accrued but not due on fixed deposit	0.15	-	0.29	-
	128.30	**113.58**	**27.47**	**159.41**
	154.29	**113.58**	**36.68**	**159.41**

Note:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange option/forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

Note 7 : Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables	917.15	898.20
Receivables from related parties (refer note 30C)	0.58	-
Less: Impairment allowance	(72.88)	(72.92)
	844.85	**825.28**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables (Contd..)

Break-up of security details

	March 31, 2024	March 31, 2023
Secured, considered good	56.51	10.56
Unsecured, considered good	855.91	874.00
Trade Receivables which have significant increase in credit risk	0.54	-
Trade Receivables - credit impaired	4.77	13.64
	917.73	**898.20**
Impairment allowance		
Unsecured, considered good	(67.57)	(59.28)
Trade Receivables which have significant increase in credit risk	(0.54)	-
Trade Receivables - credit impaired	(4.77)	(13.64)
	(72.88)	**(72.92)**
	844.85	**825.28**

Trade receivable Ageing Schedule

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2024					
		< 6 month	6 month- 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	355.29	227.14	269.32	29.37	27.39	3.91	912.42
(il) Undisputed Trade Receivables – which have significant increase in credit risk	-			0.03	0.02	0.49	0.54
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4.77	4.77
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**355.29**	**227.14**	**269.32**	**29.40**	**27.41**	**9.17**	**917.73**

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2023					
		< 6 month	6 month- 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	452.28	359.88	39.26	27.57	5.57	-	884.56
(il) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.27	-	-	3.68	2.66	6.61
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	3.76	3.27	7.03
Total	**452.28**	**360.15**	**39.26**	**27.57**	**13.01**	**5.93**	**898.20**

Notes:

1. No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

3. There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (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 :

	March 31, 2024	March 31, 2023
As at April 01	72.92	58.22
Provision for expected credit losses	27.45	21.86
Addition due to acqusition (refer note 39)	0.60	-
Amount Written off	(0.60)	-
Currency transalation difference	(27.49)	(7.16)
As at March 31	**72.88**	**72.92**

Note 8. Cash and Bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks		
in current accounts	250.26	241.68
Deposit with Bank	1.47	2.95
Funds in transit#	7.62	-
Cash in hand	0.51	0.41
	259.86	**245.04**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	1.68	4.76
Balances with Bank held as margin money against bank guarantee & other commitments	25.65	10.24
Earmarked balances with banks*	0.07	0.05
	27.40	**15.05**
Total cash and bank balances	**287.26**	**260.09**

*The Holding company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by one bank account of the group credited in other bank account of the group subsequently

Note 9A: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2024	March 31, 2023
Allowance for doubtful debts - trade receivables	0.24	0.20
MAT credit	3.02	1.67
Property, plant and equipments	(13.84)	(5.18)
Tax Losses	89.63	86.62
Right to use of assets and Lease liabilities	21.73	(0.72)
Employee benefit obligations	1.63	1.27
Other *	57.75	43.65
	160.16	**127.51**

* Includes deferred tax on stock reserve

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 9A: Deferred tax Assets (Contd..)

Reconciliation of deferred tax assets:

	March 31, 2024	March 31, 2023
Opening balance	**127.51**	**94.88**
Tax income/(expense) during the period recognised in statement of profit or loss	41.70	43.23
Tax (income)/expense during the period recognised in statement of other comprehensive income	8.87	-
Effect of foreign exchange gain/(loss)	(6.26)	(10.60)
On account of subsidiary acquired (refer note 39)	11.48	-
On account of Hyperinflation Change in Previous year numbers of DTA	(23.14)	-
Closing balance	**160.16**	**127.51**

Note 10: Inventories

	March 31, 2024	March 31, 2023
(At lower of cost and net realisable value)		
Raw materials and packing materials (Includes stock in transit of ₹ 62.70 (March 31, 2023 : ₹. 132.93)	607.14	787.98
Work-in-progress (Includes in transit of ₹ Nil (March 31, 2023 : ₹ Nil)	76.60	57.12
Finished goods (Includes stock in transit of ₹ 13.89 (March 31, 2023 : ₹ 6.99)	15.99	132.15
Stock-in-trade (Includes stock in transit of ₹ 25.81 (March 31, 2023 : ₹ 18.63)	107.51	89.40
Stores and spares (Includes stock in transit of ₹ 0.48 (March 31, 2023 : ₹ 0.38))	32.30	26.13
Project inventory-in-progress	7.28	5.21
	846.82	**1097.99**

Note:

Value of inventories above is stated after provision of ₹ 6.18 (previous year ₹ 12.63) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11: Other assets

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Capital advances	-	98.27	-	138.53
Prepayments	32.67	0.16	20.40	-
Deposit with insurance company*	-	-	0.00	-
Advances to suppliers for goods & services	172.71	-	115.93	-
Advances to staff	1.78	-	2.06	-
Balances with revenue authorities	90.62	1.17	110.71	0.60
Other receivables	0.72	-	0.45	-
	298.50	**99.60**	**249.55**	**139.13**

* Amount is less than ₹ 0.01

Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

(a) Movements in equity share capital

Particulars	No. of Shares	Amount
As at March 31, 2021	9,04,90,055	18.10
As at March 31, 2023	9,04,90,055	18.10
As at March 31, 2024	**9,04,90,055**	**18.10**

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% holding		No of shares	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
SBI Mutual Fund	5.58%	7.05%	50,47,791	63,83,835
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230

Note:

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

(e) Details of Shares held by promoters :-

As at March 31, 2024

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		**6,61,91,271**	**-**	**6,61,91,271**		

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

As at March 31, 2023

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		**6,61,91,271**	**-**	**6,61,91,271**		

Note 12A. Other equity

Securities premium[1]

As at April 01, 2022	**149.13**
Movement for the year 2022-23	-
As at March 31, 2023	**149.13**
Movement for the year 2023-24	-
As at March 31, 2024	**149.13**

Retained earnings[2]

As at April 01, 2022	**1,092.26**
Add : Profit for the year	757.19
Less : Transfer to general reserve	(119.76)
Less :Opening reserve transferred from NCI to Owners upon change in NCI holding	(4.47)
Add: Impact of restatement of subsidiaries in Hyper-inflationary economy (refer note 38)	24.15
Less : Final Dividend	(67.87)
As at March 31, 2023	**1,681.50**
Add : Profit for the year	835.93
Less : Transfer to general Reserve	(101.42)
Add: Impact of restatement of subsidiaries in Hyper-inflationary economy (refer note 38)	48.91
Less : Final Dividend	(72.39)
As at March 31, 2024	**2,392.53**

Capital reserve[3]

As at April 01, 2022	**16.54**
Movement for the year 2022-23	-
As at March 31, 2023	**16.54**
Movement for the year 2023-24	-
As at March 31, 2024	**16.54**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

General reserve[4]

As at April 01, 2022	**831.06**
Add : Transfer from retained earnings	119.76
As at March 31, 2023	**950.82**
Add : Transfer from retained earnings	101.42
As at March 31, 2024	**1,052.24**

Cash flow hedge reserve[5]

As at April 01, 2022	**5.79**
Movement for the year 2022-23	3.20
As at March 31, 2023	**8.99**
Movement for the year 2023-24	(3.00)
As at March 31, 2024	**5.99**

Investment in Equity Instrument recognised as fair value through OCI [6]

As at March 31, 2022	**-**
Movement for the year 2022-23	24.87
As at March 31, 2023	**24.87**
Movement for the year 2023-24	54.99
As at March 31, 2024	**79.86**

Foreign currency translation reserve[7]

As at April 01, 2022	**(200.84)**
Movement for the year 2022-23	(40.68)
As at March 31, 2023	**(241.52)**
Movement for the year 2023-24	(168.87)
As at March 31, 2024	**(410.39)**

Remeasurement loss/gain on defined benefit plans[8]

As at April 01, 2022	**2.24**
Movement for the year 2022-23	(0.33)
As at March 31, 2023	**1.91**
Movement for the year 2023-24	(0.31)
As at March 31, 2024	**1.60**

Total other equity

As at April 01, 2022	**1,896.18**
Movement for the year 2022-23	696.06
As at March 31, 2023	**2,592.24**
Movement for the year 2023-24	695.26
As at March 31, 2024	**3,287.50**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (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 **Retained Earnings**

Retained earnings are the profits that the Group has earned till date, less transfers to General Reserve and payment of dividend.

3 **Capital reserve**

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

4 **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.

5 **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).

6 **Investment in Equity Instruments recognised as fair value through OCI**

The Group has classified certain non-current investments as fair value through other comprehensive income as it is a strategic investment and is not held for trading purpose. The cumulative amount is classified to retained earnings when the investment is disposed off.

7 **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.

8. **Remeasurement of Defined Benefit**

The Group recognizes actuarial gains/losses on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

12B. Distribution made and proposed

	March 31, 2024	March 31, 2023
Cash dividends on equity shares declared:		
Final dividend for the year ended on March 31, 2023: ₹ 8.00 per share (March 31, 2022: ₹ 7.50 per share)	72.39	67.87
	72.39	**67.87**
Proposed dividends on Equity shares *		
Final dividend for the year ended on March 31, 2024: ₹ 8.50 per share (March 31, 2023: ₹ 8.00 per share)	76.92	72.39
	76.92	**72.39**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Financial liabilities

Note 13. Non-current borrowings

	March 31, 2024	March 31, 2023
Secured Borrowings carried at amortised cost		
Term loans from banks		
Term loan	802.21	759.10
Sales tax deferral loan	0.01	0.06
Unsecured Borrowings carried at amortised cost		
From Others		
Deferred Purchase Consideration	19.10	23.13
Foreign currency loan	9.92	7.69
Non-Convertible Debentures (NCD)	70.16	55.11
Others	16.23	-
	917.63	**845.09**
Less:		
Current maturities of long-term debt (refer note 14)	(318.21)	(360.51)
Current maturities of Deferred Purchase Consideration (refer note 13)	(4.59)	(4.27)
Interest accrued but not due on non-current borrowings (refer note 16)	(11.28)	(7.60)
	583.55	**472.71**

Refer note 14 for details of security.

Note 14: Current borrowings

	March 31, 2024	March 31, 2023
Secured at amortised cost		
From banks		
Foreign currency working capital loan	-	-
Working capital loan	198.88	269.45
Current maturities of long-term debt (refer note 13)	286.53	340.46
Interest accrued but not due	2.48	0.04
Sales tax deferral loan (current maturities)	0.01	0.05
Unsecured		
From banks		
Working capital loan	-	63.26

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 14: Current borrowings (Contd..)

	March 31, 2024	March 31, 2023
From others		
Current maturities of long term debt (NCD) (refer note 13)	31.67	20.00
Current manturities of Deferred Purchase Consideration (refer note 13)	4.59	4.27
Interest accrued but not due	-	1.27
Foreign currency loan	-	0.30
	524.16	**699.10**
Less:		
Interest accrued but not due on current borrowings (refer note 16)	(2.74)	(2.58)
	521.42	**696.52**

Loans taken by overseas subsidiaries are taken at interest rate of 3 months LIBOR+10% bps, 6 months SOFR+1.5%, and certain loans are from 6.62% to 52% and a loan is at South African prime lending rate compunded monthly.

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable property, plant and equipment and second pari passu charge on the Group's current asset. Working capital loans have first Pari Passu charge on Group's entire current asset, both present and future and second Pari Passu charge on Group's entire property, plant and equipment assets, both present and future.

The loans taken by overseas subsidiaries are secured either by charge on local assets or corporate guarantee of ultimate holding company.

Loan covenants

Bank loan contains certain debt covenants relating to debt equity ratio, net borrowing to EBITDA ratio, interest service coverage ratio, debt service coverage ratio (DSCR), gearing ratio, fixed asset coverage ratio. 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.

The Group has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.

Maturity profile of Non current Borrowing

	Maturity date	Terms of repayment	March 31, 2024	March 31, 2023
Secured				
Rupee Term Loan from Bank (Note i)	September 13, 2024	Repayable in twelve quarterly instalment starting after moratorium period of 24 months	8.33	25.00
Rupee Term Loan from Bank (Note iii)	September 27, 2026	Repayable in sixteen quarterly instalment starting after moratorium period of 12 months	125.00	175.00
Rupee Term Loan from Bank (Note ii)	August 31, 2025	Repayable in twenty quarterly instalment	14.13	23.56
Rupee Term Loan from Bank (Note iv)	October 1, 2028	Repayable in twenty quarterly instalment	95.00	-
Indian rupee term loan (Note v)	December 17, 2024	Repayable in twelve equal quarterly installment after moratorium period of 24 months	12.50	29.17
Indian rupee term loan (Note vi)	December 21, 2023	Repayable in eight equal quarterly instalment after 1 year moratorium	-	15.00
Indian rupee term loan (Note vii)	May 31, 2026	Repayable in 48 equal monthly instalment after 1 year moratorium	13.54	19.79
Indian rupee term loan (Note viii)	September 6, 2026	Repayable in twelve equal quarterly instalment after 1 year moratorium	83.33	100.00
Indian rupee term loan (Note ix)	November 30, 2028	Repayable in sixteen equal quarterly installment after 1 year moratorium	50.00	-
Local currency loan (South African Rand) (Note x)	March 3, 2025	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	6.68	13.94

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 14: Current borrowings (Contd..)

	Maturity date	Terms of repayment	March 31, 2024	March 31, 2023
Local currency loan (USD) (Note xi)	November 21, 2026	3 Annual instalments (tranche wise) commencing from June 2024	126.35	47.75
Local currency loan (USD) (Note xii)	March 15 , 2026	10 six monthly instalments commencing from September 15, 2021	119.22	172.56
USD equivalent Local currency loan (AUD)(Note xiii)	December 31, 2027	Quarterly repayment after 1 year of loan disbursement	35.72	39.56
Local currency loan (USD) (Note xiv)	September 05, 2028	20 quarterly instalments commencing from September 5, 2023	108.30	92.44
Unsecured				
Non Convertible Debentures (Note xv)	December 23, 2025	Repayable in twelve quarterly instalments (subject to put call option exercisable after 2 years of allotment by debenture holders and Company respectively)	35.00	55.00
Non Convertible Debentures (Note xvi)	March 22, 2027	Repayable in twelve quarterly instalments.	35.00	-
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.01	0.06
Others (Note xvii)	Mutual consent	Mutual consent	9.92	7.69
Deferred purchase consideration	November 01, 2027	39 quarterly payments commencing from April 2018	19.10	22.91
Others (Note xviii)	Mutual consent	Mutual consent	16.23	-
			913.36	**839.43**
Interest accrued but not due			4.27	5.66
			917.63	**845.09**

Note i. The Indian rupee long term loan from bank carries an interest rate of 3 month T bill +161 bps.

Note ii. The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

Note iii. The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

Note iv. The Indian rupee long term loan from bank is linked to 3 month T Bill with spread of 145 bps.

Note v. The Indian rupee long term loan from bank carries an interest rate of 1 yr MCLR.

Note vi. The above loans from Bank carry interest linked to 3 month T bill +164 bps

Note vii. The above loans from Bank carry interest linked to repo + 150 bps

Note viii. The above loans from Bank carry interest linked to 3 month Tbill +161 bps

Note ix. The above loans from Bank carry interest linked to 3 month Tbill +127 bps

Note x. The above local currency loan carry interest linked to 3 months JIBAR + 340 b.p.s. pa

Note xi. The above local currency loan carry interest linked to 6 months SOFR + 250 b.p.s. pa

Note xii. The above local currency loan carry interest linked to overnight SOFR + 250 b.p.s. pa

Note xiii. The above local currency loan carry interest of 7.2% p.a.

Note xiv. The above local currency loan carry interest linked to overnight SOFR + 262 b.p.s. pa

Note xv Non- Convertible Debentures have been issued at fixed rate of 8.20% p.a.

Note xvi Non- Convertible Debentures is linked to Repo rate with a spread of 181 bps.

Note xvii. The above local currency loan carry interest of 7 % p.a.

Note xviii. The above Indian rupee loan carry interest of 11 % p.a.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Trade payables

	March 31, 2024	March 31, 2023
Current		
Trade payables *	327.33	341.04
Acceptances #	225.18	147.34
Trade payables to related parties (refer note 30C)	0.14	0.10
Total Trade payables	**552.65**	**488.48**

Break up of trade payables

	March 31, 2024	March 31, 2023
Trade Payables other than related parties (including acceptances)	552.51	488.38
Trade payables to related parties (refer note 30C)	0.14	0.10
	552.65	**488.48**

	Unbilled	Not due	Outstanding for following periods from due date of payment for March 31, 2024				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	0.02	364.77	185.34	2.31	0.15	0.06	552.65

	Unbilled	Not due	Outstanding for following periods from due date of payment for March 31, 2023				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	0.57	385.94	101.77	0.18	0.02	-	488.48

Notes:

1. *Trade payables are non-interest bearing and are normally settled within 0 to 60 days term.
2. For terms and conditions with related parties, refer note 30C
3. For explanations on the Company's credit risk management processes, refer note 33
4. # Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 180 days

Note 16 : Other current financial liabilities

	March 31, 2024	March 31, 2023
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts (refer note 32)	0.49	0.18
	0.49	**0.18**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 13)	11.28	7.60
Interest accrued on current borrowings (refer note 14)	2.74	2.58
	14.02	**10.18**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 16 : Other current financial liabilities

	March 31, 2024	March 31, 2023
Others		
Capital creditors	18.98	9.72
Employees related payable (including labour related)	55.44	44.08
Deferred purchases consideration	8.00	-
Liabilities towards trade discounts	5.09	4.39
Unclaimed dividend	4.43	0.05
Other payable	0.92	-
	92.86	**58.24**
	107.37	**68.60**

Note 17: Other current liabilities

	March 31, 2024	March 31, 2023
Statutory dues payables	47.78	63.85
Liabilities for employee benefit	0.07	0.01
Contract liabilities	228.70	229.60
Other current liabilities	0.15	1.75
	276.70	**295.21**

Note 18 : Provisions

	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity	3.06	3.24	2.73	2.64
Provision for leave encashment	12.42	0.20	11.43	-
	15.48	**3.44**	**14.16**	**2.64**

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2024 and March 31, 2023 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	307.24	312.83
Adjustment of tax relating to earlier periods	(1.60)	1.20
Deferred tax:		
Relating to origination and reversal of temporary differences	(19.59)	(23.62)
Tax expense reported in the statement of profit and loss	**286.05**	**290.41**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

OCI section

Deferred tax related to items recognised in OCI during the year:

	March 31, 2024	March 31, 2023
Net gain/(loss) on cash flow hedges	(0.21)	0.10
Net (loss)/gain on remeasurements of defined benefit plans	(0.11)	(0.11)
Remeasurement gain/ (loss) on Investment in Equity instruments	16.70	7.55
Exchange difference on translation of foreign operations	(8.54)	(12.28)
Income tax charged to OCI	**7.84**	**(4.74)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

	March 31, 2024	March 31, 2023
Accounting profit before tax	1,160.93	1,101.85
Computed expected tax expense @ standard tax rate in India	291.69	276.50
Effect of:		
Corporate social responsibility expenditure and donation	4.44	5.21
Income tax for earlier years	(1.60)	1.20
Tax loss on which deferred tax not recognised	6.74	5.20
Effect of permanent differences between book base and tax base	0.38	0.48
Relating to Change in tax rate of different jurisdictions	(15.19)	6.67
Others	(0.41)	(4.85)
Total income tax expense	**286.05**	**290.41**

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

	March 31, 2024	March 31, 2023
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	189.99	164.04
Cash Flow Hedges	-	0.28
Leases	1.42	0.16
Derivative Instruments at fair value through profit or loss	(0.12)	(0.05)
	191.29	**164.43**
Deferred tax Assets		
Financial assets at fair value through profit or loss	0.73	0.23
Provision towards trade receivables	(1.84)	(2.00)
Provision for advances w/off	(1.08)	(1.08)
Provision for write down to net realizable value of inventory	(1.24)	-
Provision for discounting of Non current Asset	(4.42)	(6.03)
Provision on Custom Duty and Statutory Dues	(1.53)	(1.53)
Employee Benefits	(2.58)	(1.15)
Financial assets at fair value through OCI	24.25	7.55
Other	(5.80)	(1.49)
	6.49	**(5.50)**
Net deferred tax (assets)/liabilities	**197.78**	**158.93**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

Reconciliation of deferred tax liability:

	March 31, 2024	March 31, 2023
Opening balance	**158.93**	**137.14**
Tax (income)/expense during the period recognised in statement of profit or loss	22.11	19.61
Effect of foreign exchange gain/(loss)	0.03	6.92
Tax (income)/expense during the period recognised in statement of other comprehensive income	16.71	(4.74)
Closing balance	**197.78**	**158.93**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 20 : Revenue from operations

	March 31, 2024	March 31, 2023
Sale of products (Refer note 36)	5,909.02	6,769.72
Other operating revenue :		
Income under Package Scheme of Incentives (net of discounting)*	83.52	83.57
Scrap Sales	20.57	14.52
Stores and Spare and Consumables	24.71	20.12
Others	31.70	34.60
	6,069.52	**6,922.53**

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 (gross of discounting) of ₹ 101.17 Cr (previous year ₹ 98.63 Cr).

Note 21 : Other income

	March 31, 2024	March 31, 2023
Interest income		
On financial assets carried at amortised cost		
from related parties (refer note 30B)	0.86	-
from others	26.53	15.17
On deposits with bank	2.00	1.14
Income tax refund	0.51	2.15
Profit on sale of investments carried at fair value through profit or loss	5.16	1.73
Net gain on disposal of assets held for sale	-	0.57
Net gain on disposal of property, plant and equipment	1.59	2.61
Excess provsion of impairment on financial assets written back	0.01	0.49
Bad debt recovered	0.04	-
Insurance claim received	1.28	-
Net gain on financial assets mandatorily measured at fair value through profit or loss	1.89	0.40
Miscellaneous income	4.60	7.26
	44.47	**31.52**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 22A : Cost of materials consumed

	March 31, 2024	March 31, 2023
Raw materials and packing material at the beginning of the year	787.98	461.39
Add: Purchases during the year	2,529.13	4,146.13
Less: Raw material and packing material at the end of the year	(607.14)	(787.98)
	2,709.97	**3,819.54**

Note 22B : Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2024	March 31, 2023
Opening balance		
Work-in progress	57.12	45.57
Finished goods	132.15	60.35
Stock in trade	89.40	121.50
Effect of foreign exchange	(15.08)	(1.22)
	263.59	**226.20**
Closing balance		
Work-in progress	76.60	57.12
Finished goods	15.99	132.15
Stock in trade	107.51	89.40
Opening stock of Subsidiary acquired during the year (refer note 39)	(3.74)	-
Effect of foreign exchange	(16.39)	(15.08)
	179.97	**263.59**
	83.62	**(37.39)**

Note 23 : Employee benefit expense

	March 31, 2024	March 31, 2023
Salaries and wages (including bonus)	254.75	215.35
Remuneration to directors	33.01	22.12
Contribution to provident and other funds (Refer note 28)	16.40	14.60
Staff welfare expenses	13.11	7.94
Total - A	**317.27**	**260.01**
Labour charges (including bonus)	116.19	92.71
Total - B	**116.19**	**92.71**
Total expense (A+B)	**433.46**	**352.72**

Note 24 : Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spares	34.51	24.76
Repairs and maintenance :		
Plant and machinery	23.75	18.16
Buildings	9.44	9.55
Others	12.72	14.23
Water and electricity charges	60.09	61.64
Rates and taxes	10.46	7.43
Legal and professional fees	27.82	27.17
Travelling and conveyance	23.86	19.39
Sales commission expenses	54.52	42.44
Freight and forwarding charges	250.97	233.68
Transportation charges	43.90	44.19

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses (Contd..)

	March 31, 2024	March 31, 2023
Pump truck expenses	23.03	21.15
Security service charges	14.85	12.52
Sales promotion expenses	54.44	81.13
Testing Charges	4.33	0.96
Donations	6.94	13.50
Insurance charges	20.75	17.64
Advertisement expenses	4.04	10.26
Provision of Inventory	0.60	10.07
Directors' sitting fees	0.69	0.61
Exchange differences (net)	167.86	79.96
Impairment loss on property plant & equipment	-	3.73
Bad debts written-off	0.60	17.67
Advance/ Investment written off	-	9.68
Sales tax mega project written off	-	4.12
Impairment loss/(gain) on financial assets	27.78	21.86
Corporate social responsibility expenditure	12.38	8.70
Loss relating to Company's subsidiaries operating in hyperinflationary economy (refer note 38)	111.64	47.80
Payment to Auditors	3.84	2.51
Customer contract obligation charges	8.24	-
Property , plant and equipment discarded	1.13	-
Miscellaneous expenses (mainly includes bank charges, information technology, insurance, factory, communication, office expenses etc.)	55.50	72.01
	1,070.68	**938.52**

Notes 25 : Finance costs

	March 31, 2024	March 31, 2023
Interest*		
To banks#	101.02	83.39
To Others	6.06	5.00
Interest on lease liabilities	2.29	1.99
	109.37	**90.38**

*Net of borrowing cost capitalised (refer note 3A)

Includes relating hedge cost

Note 26 : Depreciation and amortization expense

	March 31, 2024	March 31, 2023
Depreciation of property, plant & equipments (refer note 3A)	125.04	111.82
Depreciation - Right-of-use Asset (refer note 3D)	5.80	6.14
Amortization of intangible assets (refer note 3C)	12.54	10.30
Less : Transfer to intangible asset under development	-	(0.05)
	143.38	**128.21**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 27 : Earnings per share (EPS)

	March 31, 2024	March 31, 2023
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS	835.93	757.19
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 (₹)	92.38	83.68
Nominal value of shares (₹)	2.00	2.00

Note 28: Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The holding company and some of its Indian Subsidiaries operates a defined benefit gratuity plan namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Holding company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme. Further one of the subsidiary in the group makes contribution to Economic Explosives Limited employee group gratuity assurance scheme.

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognised in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense recognized in statement of Profit and Loss

	March 31, 2024	March 31, 2023
Net Service cost	2.65	2.39
Net interest cost	0.07	(0.16)
	2.72	**2.23**

Other Comprehensive Income

	March 31, 2024	March 31, 2023
Actuarial gain / (loss) on liabilities	(0.39)	(0.08)
Actuarial gain / (loss) on assets	(0.03)	(0.36)
Closing balance recognized in OCI	**(0.42)**	**(0.44)**

The amount recognized in Balance Sheet

	March 31, 2024	March 31, 2023
Present value of funded obligations	31.72	26.13
Fair value of plan assets	26.09	22.68
Net defined benefit liability / (assets) recognized in balance sheet	**5.63**	**3.45**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

Change in Present Value of Obligations

	March 31, 2024	March 31, 2023
Opening of defined benefit obligations	26.13	23.11
Defined benefit obligations of subsidiary acquired	2.75	-
Service cost	2.65	2.39
Interest Cost	1.74	1.37
Benefit Paid	(1.05)	(0.82)
Actuarial (Gain)/Loss on total liabilities	(0.50)	0.08
Closing of defined benefit obligation	**31.72**	**26.13**

Change in Fair Value of Plan Assets

	March 31, 2024	March 31, 2023
Opening fair value of plan assets	22.68	22.28
Actual Return on Plan Assets	1.64	1.16
Employer Contribution	2.82	0.06
Benefit Paid	(1.05)	(0.82)
Closing fair value of plan assets	**26.09**	**22.68**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2024	March 31, 2023
Investments with insurer (LIC)	82%	79%
Investments with insurer (ICICI)	18%	21%

The significant actuarial assumptions were as follows :

	March 31, 2024	March 31, 2023
Discount Rate	7.13% to 7.19% p.a	7.35% to 7.40% p.a
Rate of increase in Compensation levels	7% to 8.00% p.a	5.50% to 8.00% p.a
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Rate of Return on Plan Assets	7.35% to 7.36% p.a	6.81% to 6.92% 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 2023-24

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2024	Impact (Absolute)	Impact (%)
Base Liability	31.72		
Increase Discount Rate by 0.50%	31.87	0.15	0.47%
Decrease Discount Rate by 0.50%	31.55	(0.17)	-0.53%
Increase Salary Inflation by 1%	32.03	0.31	0.98%
Decrease Salary Inflation by 1%	31.39	(0.33)	-1.04%
Increase in Withdrawal Assumption by 5%	33.31	1.59	5.01%
Decrease in Withdrawal Assumption by 5%	30.12	(1.60)	-5.04%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and attrition rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Note 29 : Commitments and contingencies

Capital Commitments

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	168.79	210.82

Contingent liabilities

	March 31, 2024	March 31, 2023
Claims against the Group not acknowledged as debts (refer note a)		
Excise related matters including GST	12.41	6.24
Sales tax / VAT related matters	8.90	1.18
Advance License Import and Export obligation	-	0.50
Income Tax related matters	-	0.11
Others	0.68	-

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies (Contd..)

Lease Commitments

The group has taken certain assets on lease for a term generally ranging for a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2024	March 31, 2023
Lease payments recognised during the year	9.68	8.10
Within one year	9.62	6.84
Later than one year but not later than five years	13.57	19.42
More than five years	11.01	0.01

Note 30: Related Party Disclosures

A Names of related parties and related party relationship :

I Associates and Joint Ventures

Zmotion Automonus Private Limited

Astra Resources (Pty) Limited

Solar United Company Limited (Fromerly known as Solar AGC Limited Liability) (Note-i and Note-ii)

Ortiz Investments Pty Limited (Note - iii)

II Non Executive Director

Shri Satyanarayan Nuwal (Chairman)

III Key Management Personnel (KMP) (Holding Company)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director)

Shri Moneesh Agrawal (Joint Chief Financial Officer)

Smt. Shalinee Mandhana (Joint Chief Financial Officer)

Smt. Khushboo Pasari (Company Secretary and Compliance Officer)

III A Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Shri Raghav Nuwal

Smt Seemadevi Nuwal

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

IV Non Executive Independent Directors**

Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)

Smt. Sujitha Karnad (Failed to get the requisite majority in the 28th Annual general Meeting)

Shri Natrajan Ramakrishnan

Shri Jagdish Belwal

Smt Rashmi Prasad (w.e.f September 21, 2023)

Shri Dinesh Kumar Batra (w.e.f. April 1, 2024)

** Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2023-24.

The Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

V Entities where Directors/ Close family members of Directors having control/significant influence (with whom transactions have taken place)

Solar Synthetics Private Limited

VI Other related parties

Post employment benefit plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

Refer to Note 28 for information on transactions with post employment benefit plans mentioned above

Note i: The entity has not commenced its business operation

Note ii: The entity has incorporated on July 18, 2023

Note iii: The entity has incorporated on May 09, 2023

B. Transactions with related parties during the year

Nature of Transaction	March 31, 2024	March 31, 2023
Sales of products and services		
ZMotion Autonomous Sytems Pvt Ltd	0.13	0.36
Total	**0.13**	**0.36**
Purchase of raw material and components		
ZMotion Autonomous Sytems Pvt Ltd	12.18	-
Total	**12.18**	**-**
Other Expenditure		
ZMotion Autonomous Sytems Pvt Ltd	1.75	-
Solar Synthetics Private Limited	0.04	0.04
Total	**1.79**	**0.04**
Interest Income and loan Given		
Ortiz Investments Pty Limited (Loan given)	31.30	-
ASTRA Resources Pty Limited (Interest Income)	0.68	-
Ortiz Investments Pty Limited (Interest Income)	0.19	-
Total	**32.17**	**-**
Advance given		
ZMotion Autonomous Sytems Pvt Ltd	60.40	-
Total	**60.40**	**-**
Remuneration to relatives of KMP		
Shri Raghav Nuwal	0.01	-
Total	**0.01**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

Nature of Transaction	March 31, 2024	March 31, 2023
Remuneration to KMP #		
Shri Satyanarayan Nuwal	10.90	10.65
Shri Manish Nuwal	18.30	11.70
Shri Suresh Menon	1.95	1.58
Shri Milind Deshmukh	2.14	1.55
Shri Moneesh Agrawal	0.47	0.43
Smt. Shalinee Mandhana	0.41	0.34
Smt. Khushboo Pasari	0.26	0.23
Total	**34.43**	**26.48**
Sitting fees		
Shri Amrendra Verma	0.17	0.16
Smt Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)	0.03	0.10
Shri Natrajan Ramkrishna	0.16	0.04
Shri Jagdish C Belwal	0.08	0.01
Smt. Rashmi Prasad	0.03	-
Shri Dilip Patel	0.06	0.12
Shri Ajai Nigam (Ceased to be a Non-Executive Independent Director w.e.f. March 3, 2023)	-	0.10
Shri Sanjay Sinha (resolution of his appointment, could not passed in 27th Annual General Meeting)	-	0.02
Total	**0.53**	**0.55**

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. 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 Company as a whole and individual amounts are not determinable.

C. Balance outstanding at the year end were as follows:

Nature of Transaction	March 31, 2024	March 31, 2023
Loans Given*		
ASTRA Resources Pty Limited	1.81	17.14
Ortiz Investments Pty Limited	30.96	-
Total	**32.77**	**17.14**
***Loans given (including interest accrued)**		
Advances to suppliers for goods & services		
ZMotion Autonomous Sytems Pvt Ltd	67.43	-
Total	**67.43**	**-**
Trade Receivable		
ZMotion Autonomous Sytems Pvt Ltd	0.58	-
Total	**0.58**	**-**
Other payables		
Solar Synthetics Private Limited	0.14	0.10
Shri Satyanarayan Nuwal	3.40	4.47
Shri Manish Nuwal	7.69	4.58
Shri Kailashchandra Nuwal (Refer Note number 30D)	0.13	0.13
Total	**11.36**	**9.28**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

D. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Holding Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Holding Company and AG Technologies Private Limited, which was related party.

Based on legal opinions obtained, the Holding Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Holding Company'. The Holding Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee.

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Holding Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Holdng Company challenged the order before the Supreme Court of India by filling an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

Note 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, 2024	March 31, 2023
India	3,189.39	3841.16
Outside India	2,719.63	2,928.56
Total	**5,909.02**	**6,769.72**

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, 2024	March 31, 2023
India	2,131.52	1,643.81
Outside India	485.59	479.18
Total	**2,617.11**	**2,122.99**

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, 2024 is ₹ 925.83 (March 31, 2023 is ₹ 1063.53)

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

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.

4. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values. The own non-performance risk as at March 31, 2024 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, 2024 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	34.21	4	-	-	-
Loans	35.80	5	-	-	-
Other financial assets (except derivatives)	241.88	6	-	-	-
Trade receivables	844.85	7	-	-	-
Cash and cash equivalents	259.86	8	-	-	-
Bank balances other than cash and cash equivalents	27.40	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.51	4	-	-	0.51
Investment in Venture Capital Fund (unquoted)	0.09	4	-	0.09	-
Investment in mutual funds	0.05	4	0.05	-	-
SBI Overnight Fund (Growth)	213.44	4	213.44	-	-

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for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fair Value through profit and loss					
Derivative Instruments	17.36	6	-	17.36	-
Fair value through other comprehensive income					
Derivative Instruments	8.63	6	-	8.63	-
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	121.61	4	-	-	121.61
Total Financial assets	**1,771.48**		**213.49**	**26.08**	**122.12**

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2024 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	583.55	13	-	-	-
Current	521.42	14	-	-	-
Trade Payables(including Acceptance)	552.65	15	-	-	-
Lease Liabilities	32.87	3D	-	-	-
Other financial liabilities (except derivatives)	106.88	16	-	-	-
Derivative Instrument not designated as hedge	0.49	16	-	0.49	-
Total Financial liabilities	**1,805.69**		**-**	**0.49**	**-**

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, 2023 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	27.48	4	-	-	-
Loans	28.90	5	-	-	-
Other financial assets (except derivatives)	186.88	6	-	-	-
Trade receivables	825.28	7	-	-	-
Cash and cash equivalents	245.04	8	-	-	-
Bank balances other than cash and cash equivalents	15.05	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.44	4	-	-	0.44
Investment in Venture Capital Fund (unquoted)	0.61	4	-	0.61	-
Investment in mutual funds	0.06	4	0.06	-	-
SBI Overnight Fund (Growth)	20.00	4	-	20.00	-

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for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fair value through profit and loss					
Derivative Instruments	9.21	6	-	9.21	-
Fair value through other comprehensive income					
Investment in equity instruments of others(unquoted) (includes compulsory convertible preference shares)	49.92	4	-	-	49.92
Total Financial assets	**1,408.87**		**0.06**	**29.82**	**50.36**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	472.71	13	-	-	-
Current	696.52	14	-	-	-
Trade Payables(including Acceptance)	488.48	15	-	-	-
Lease Liabilities	25.45	3D	-	-	-
Other financial liabilities (except derivatives)	68.42	16	-	-	-
Derivative Instrument not designated as hedge	0.18	16	-	0.18	-
Total Financial liabilities	**1,751.76**		**-**	**0.18**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Note 33: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Deposits	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange risk	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value 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, 2024	March 31, 2023
Derivatives not designated as hedge			
Forward contract	USD	8.63	9.21

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 2.92 (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 ₹ 0.14 .

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

a) Derivative outstanding as at the reporting date

The Group has borrowings in foreign currency amounting to ₹ 9.92 (March 31, 2023: ₹ 7.99). 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, 2024	March 31, 2023
Derivatives not designated as hedge			
Forward contract in FS	USD	188.89	76.84

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2024								March 31, 2023			
	USD	SEK *	EURO	GBP	SGD	MUR	ZAR	IDR	USD	SEK	EURO	GBP
Trade Receivable	339.53	-	46.04	-	-	-	-	-	247.39	-	-	-
Loans and other receivable	28.96	-	-	-	-	-	-	-	5.37	-	-	-
Cash and Cash equivalents	36.66	-	0.06	-	-	-	0.06	-	30.85	-	-	-
Borrowings	392.90	-	-	-	-	-	-	-	332.68	-	-	-
Capital Creditors	-	0.19	-	0.68	-	-	-	-	-	-	-	0.66
Other Financial Liabilities	0.22	-	-	-	0.38	0.02	-	0.12	0.36	-	-	-
Trade Payables(including Acceptance)	385.04	0.01	0.04	-	-	-	-	-	256.27	0.00	-	-
Trade Payables (including Acceptance)	385.34	0.01	0.04	-					256.27	0.00	-	-

*Amount is less than 0.01 in March 31,2023

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2024	March 31, 2023
USD	(3.73)	(3.05)
SEK*	(0.00)	(0.00)
EURO	0.46	
ZAR	0.00	
GBP	(0.01)	(0.01)
SGD*	(0.00)	
IDR*	(0.00)	

* Amount is less than 0.01 for March 31 2024 and March 31 2023

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

	March 31, 2024	March 31, 2023
Investment in mutual funds	213.49	20.06

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Note 33: Financial risk management objectives and policies (Contd..)

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 ₹ 2.13(March 31, 2023: ₹ 0.20). 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.

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 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, 2024	678.28	115.22	124.23	917.73
As at March 31, 2023	691.89	100.48	105.83	898.20

The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2024	March 31, 2023
Opening balance	72.92	58.22
Provided/(reversal) during the year	27.45	21.86
Addition due to acquisition (refer note 39)	0.60	-
Written off	(0.60)	-
Currency translation difference	(27.49)	(7.16)
Closing balance	**72.88**	**72.92**

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.

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Note 33: Financial risk management objectives and policies (Contd..)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2024						
Borrowings						
From Banks	11.95	141.50	331.72	505.85	-	991.02
From Others	-	7.92	23.75	63.36	-	95.03
Deferred Purchase Consideration (Gross)	-	1.13	3.45	14.33	-	18.91
Sales Tax Deferral Loan	-	0.01	-		-	0.01
Trade Payables(including Acceptance)	-	481.47	71.18	-	-	552.65
Other financial liabilities (excluding derivatives and lease liabilities)	0.19	74.92	30.84	0.93	-	106.88
Derivative Instruments	-	0.49	-	-	-	0.49
Lease Liability(Gross)	-	0.71	8.91	13.57	11.01	34.20
As at March 31, 2023						
Borrowings						
From Banks	54.69	135.79	395.37	502.42	-	1,088.27
From Others	-	5.00	15.24	42.02	-	62.26
Deferred Purchase Consideration (Gross)	-	-	-	18.64	-	18.64
Sales Tax Deferral Loan	-	0.05	-	0.01	-	0.06
Trade Payables(including Acceptance)	-	345.16	143.32	-	-	488.48
Other financial liabilities (excluding derivatives and lease liabilities)	1.90	41.74	24.62	0.16	-	68.42
Derivative Instruments	-	-	0.18	-	-	0.18
Lease Liability(Gross)	-	0.53	6.31	19.42	0.01	26.27

Note 34: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	March 31, 2024	March 31, 2023
Net debt	629.99	899.43
Equity	3,305.60	2,610.34
Capital and net debt	**3,935.59**	**3,509.77**
Net Gearing ratio	**16.01%**	**25.63%**

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for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 34: Capital Management (Contd..)

Calculation of net debt is as follows:

	March 31, 2024	March 31, 2023
Borrowings		
Non-Current	583.55	472.71
Current	198.62	331.74
Current maturities of long-term debt	322.80	364.78
	1,104.97	**1,169.23**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	261.54	249.80
Current Investments	213.44	20.00
	474.98	**269.80**
Net Debt	**629.99**	**899.43**

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, 2024 and March 31, 2023.

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/associates/joint ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3					4	5
(A) Solar Industries India Ltd.	48.14%	2,346.47	67.74%	596.30	908.39%	55.11	73.49%	651.41
		2,346.47		**596.30**		**55.11**		**651.41**
(B) Indian subsidiaries -								
1. Economic Explosives Limited	21.15%	1,030.79	17.79%	156.56	(1.66%)	(0.10)	17.65%	156.46
2. Solar Explochem India Limited	0.15%	7.44	(0.22%)	(1.94)	0.00%	0.00	(0.22%)	(1.94)
3. Emul Tek Private Limited (Consolidated)	0.43%	21.07	2.35%	20.68	(5.46%)	(0.33)	2.30%	20.35
4. Solar Defence Limited	0.00%	0.02	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
5. Solar Defence Systems Limited	0.00%	0.02	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
6. Solar Avionics Limited	0.00%	0.02	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
		1,059.36		**175.29**		**(0.43)**		**174.86**
(C) Overseas subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	0.17%	8.31	(4.26%)	(37.52)	0.00%	-	(4.23%)	(37.52)
2. Solar Nigachem Limited	0.88%	42.89	1.48%	13.07	0.00%	-	1.47%	13.07
3. Solar Overseas Netherlands B.V.	0.98%	47.80	(1.04%)	(9.12)	0.00%	-	(1.03%)	(9.12)
4. Solar Explochem Zambia Limited	2.01%	98.14	4.81%	42.32	0.00%	-	4.77%	42.32
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	3.47%	169.03	3.29%	29.00	0.00%	-	3.27%	29.00
6. P.T. Solar Mining Services	0.48%	23.36	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
7. Solar Nitro Ghana Limited	0.63%	30.72	0.42%	3.68	0.00%	-	0.42%	3.68
8. Solar Madencilik Hizmetleri A.S	0.14%	6.69	(0.15%)	(1.35)	0.00%	-	(0.15%)	(1.35)
9. Solar Overseas Netherlands Cooperative U.A	2.81%	137.16	(1.73%)	(15.19)	0.00%	-	(1.71%)	(15.19)
10. Solar Overseas Singapore Pte Ltd	1.68%	81.72	(0.18%)	(1.58)	0.00%	-	(0.18%)	(1.58)
11. Solar Industries Africa Limited	(0.31%)	(14.88)	(0.46%)	(4.09)	0.00%	-	(0.46%)	(4.09)
12. Solar Nitro Zimbabwe (Private) Limited	0.01%	0.55	0.06%	0.54	0.00%	-	0.06%	0.54

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Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3					4	5
13. Solar Nitrochemicals Limited	1.08%	52.69	0.57%	5.05	0.00%	-	0.57%	5.05
14. Solar Mining Services Pty Ltd, Australia	0.91%	44.51	0.34%	3.01	(6.92%)	(0.42)	0.29%	2.59
15. Solar Mining Services CI SARL, Ivory Coast	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
16. Solar Venture Company Limited	0.10%	4.92	0.04%	0.36	0.00%	-	0.04%	0.36
17. Solar Overseas Mauritius Limited (Standalone)	11.48%	559.66	4.66%	41.02	106.82%	6.48	5.36%	47.50
18. Solar Mining Services-Albania	0.01%	0.59	0.02%	0.20	0.00%	-	0.02%	0.20
19. Solar Mining Services-Burkina Faso	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
20. Solar Nitro SARL	0.00%	0.23	0.02%	0.19	0.00%	-	0.02%	0.19
21. Solar Nitro Kazakhstan Limited	0.19%	9.41	(0.02%)	(0.15)	0.00%	-	(0.02%)	(0.15)
22. PowerBlast LLP	0.18%	8.77	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
		1,312.26		**69.37**		**6.06**		**75.43**
(D) Minority Interests in all subsidiaries	2.50%	121.65	4.46%	39.30	(6.17%)	(54.67)	(1.73%)	(15.37)
		121.65		**39.30**		**(54.67)**		**(15.37)**
(F) Associates, Entities with Joint control or significant influence over the entity								
Astra Resources Pty ltd	0.13%	6.38	0.00%	0.00	0.00%	-	0.00%	0.00
Solar United Co. Limited	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Ortiz Investments	0.00%	0.00	(0.04%)	(0.33)	0.00%	-	(0.04%)	(0.33)
Zmotion Autonomous System Private Limited	0.57%	27.83	0.04%	0.35	0.00%	-	0.04%	0.35
		34.21		**0.02**		**-**		**0.02**

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 sale of products to external customers broken down by location of the customers is shown in the table below:

	March 31, 2024	March 31, 2023
India	3,189.39	3,841.16
Outside India	2,719.63	2,928.56
Total	**5,909.02**	**6,769.72**

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 36. 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, 2024.

The Group discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

	March 31, 2024	March 31, 2023
Trade Receivables	844.85	825.28
Contract Liabilities	228.70	229.60

d. Revenue from contract with customers amounting to ₹ 5909.02 (March 31, 2023: ₹ 6,769.72) is net of rebate, discounts and powder factor charges.

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2024, the aggregate amount of the transaction price allocated to order backlog was ₹ 5,139.16 The Group expects to recognise revenue within two years.

Note 37 : Research & Development Expenditure

	March 31, 2024	March 31, 2023
Revenue Expenditure	3.55	1.74
Capital Expenditure	1.02	-
Total	**4.57**	**1.74**

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 : Effects of Hyperinflation

Beginning July 1, 2022, Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi and Solar Madencilik Hizmetleri A.S., Turkey, step-down subsidiaries, became a hyperinflationary economy because, among some other economic factors, the last three years' cumulative inflation in Turkey exceeded 100% according to consumer price index in the country.

The Ghana Statistical Service reported a 3-year and 12-month cumulative rate of inflation of 106% and 40%, respectively, as of August 2023. Accordingly, Solar Nitro Ghana Limited has been considered hyperinflationary as at March 31, 2024.

Zimbabwe has been considered hyperinflationary since Financial Year 2019 and there were no non-monetory assets as at March 31,2023. In the current year, the Solar Nitro Zimbabwe (Private) Limited has right of use assets due to which the accounting of Ind AS 29 has been applied.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Effects of Hyperinflation (Contd..)

Summary of cumulative inflation year ending is:

Country	March 31, 2024	March 31, 2023	March 31, 2022
Turkey	2,139.47	1269.75	843.64
Ghana	209.54	166.60	148.80
Zimbabwe	133.39	85.87	49.66

In accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies, the balance sheet i.e. the non-monetary assets, liabilities, owner's equity and profit & loss of the aforesaid subsidiaries operating in hyperinflationary economy are restated for the changes in the general purchasing power of the local currency, using official indices at the balance sheet date, before translation into India Rupees and, are stated in terms of the measuring unit current at the balance sheet date. The aforesaid restatement resulted in loss of ₹ 111.64 which is accounted in other expenses for the year ended 31 March 2024 (refer note 24).

Further, in accordance with para 42 and 43 of Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, the comparatives amounts in the Consolidated Financial Statements are not adjusted for subsequent changes in the price level i.e. consumer price index. Consequentially, the changes arising in the comparative period amounting to ₹ 48.91 has been credited to opening retained earnings as at April 01, 2023 (refer to note 12A).

Note 39: Acquisition of Rajasthan Explosives and Chemicals Limited

During the year ended March 31, 2024, pursuant to the Business Acquisition Agreement dated April 10, 2023 ('BAA') entered between Emul Tek Private Limited, a wholly-owned subsidiary of the Company, ('ETPL'), Rajasthan Explosives and Chemicals Limited ('RECL') and its shareholders for acquiring the entire business and undertaking of RECL through scheme of merger, ETPL on December 16, 2023, acquired control of RECL ("acquisition date"). The said control is acquired by appointing majority of directors on the board of RECL, appointing and designating representatives of ETPL as the Key managerial personnel and governing policy decisions of RECL by a person or persons acting individually or in concert, including by virtue of management rights of RECL as set out in the BAA.

ETPL has filed the scheme of merger with National Company Law Tribunal ('NCLT') dated February 26, 2024 and is pending for approval.

Pursuant to obtaining control, the Holding Company has accounted the fair value of the assets acquired and liabilities assumed as at the acquisition date as per the requirements of Ind AS 103.

The consolidated financial statements for the year ended March 31, 2024 include the financial statements of RECL from the acquisition date.

(a) Summary of RECL assets acquired and liabilities assumed at fair value on the acquisition date:

(₹ in Crore)

Particulars	As at acquisition date
Assets	
Non- Current Assets	
Property, Plant and Equipment	31.68
Capital Work-In-Progress	6.17
Deferred Tax Assets (net)	11.48
Current Tax Asset (net)	0.39
Other non current assets	0.21
Other Financial Asset	1.86

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 39: Acquisition of Rajasthan Explosives and Chemicals Limited (Contd..)

(₹ in Crore)

Particulars	As at acquisition date
Current Assets	
Inventories	11.68
Financial Assets	
(i) Trade Receivables	2.07
(ii) Cash and Cash Equivalents	0.29
(iii) Bank balances other than (ii) above	19.90
(iv) Other Financial Assets	0.39
Other Current Assets	2.00
Total Assets Acquired (i)	88.12
Non- Current Liabilities	
Financial Liabilities	
(i) Borrowings	26.39
Deferred Tax Liabilities (net) (refer (e) below)	-
Provisions	1.31
Current Liabilities	
Financial Liabilities	
(i) Borrowing	57.87
(ii) Lease liabilities	-
(iii) Trade Payables	9.05
(iv) Other Financial Liabilities	1.20
Other Current Liabilities	2.63
Provisions	0.67
Total Liabilities Assumed (ii)	**99.12**
Total identifiable net assets at fair value (i-ii)	**(11.00)**

(b) Goodwill arising on acquisition has been determined as follows:

(₹ in Crore)

Particulars	Amount
Purchase Consideration:	
Purchase Consideration (A)	8.00
Net Assets Acquired:	
Fair value of assets acquired*	88.12
Fair value of liabilities assumed	(99.12)
Subtotal (B)	**(11.00)**
Goodwill on acquisition (A-B)	**19.00**

*Includes fair valuation gain of ₹ 3.31 Cr as on date of acquisition.

d. Impact of acquisition on the financial statements

Since the acquisition date, revenue from operation ₹ 60.60 Crore and profit of ₹ 7.63 Crore has been included in the consolidated statement of profit and loss.

e. Impact of Deferred tax liabilities amounting to ₹ 0.90 Crore, has been recognised on business combination, on acquisition date fair values and adjusted in Goodwill as per Ind AS - 12 Income Taxes.

Note 40 : Other Statutory Information:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in ₹ Crores, unless otherwise stated)

Note 39: Acquisition of Rajasthan Explosives and Chemicals Limited (Contd..)

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:"

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 41: Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the SAP HANA application and the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of software.

Note 42 : The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events or transactions in the financial statements. As on May 16, 2024, there are no subsequent events to be recognized or reported.

Note 43 : Previous year's figures have been regrouped and rearranged where necessary to confirm to this year's classifcation.

Note 44 : The financial statements were approved for issue by the Board of Directors on May 16, 2024

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration Number:103031W

per **C.N. Rathi**
Partner
Membership No.- 39895

Place: Nagpur
Date: May 16, 2024

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place: Nagpur
Date: May 16, 2024

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "A": Subsidiaries

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Name of Subsidiaries Particulars	Economic Explosives Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Explochem Limited	Solar Overseas Mauritius Limited	Rajasthan Explosives and Chemicals Limited	Solar Overseas Singapore Pte Limited	Solar Overseas Netherlands Cooperatie U.A.	Solar Overseas Netherlands B.V.	Solar Industries Africa Limited	Solar Explochem Zambia Limited	Solar Nigachem Limited (Previously Known as Nigachem Nigeria Limited)	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi	Solar Mining Services Pty Limited-SA	PT.Solar Mining Services	Solar Mining Services Pty Limited (Formely known as Australian Explosive Technologies Group Pty Limited)	Solar Nitro Zimbabwe Private Limited	Solar Mining Services Cote d'Ivoire	Solar Nitro Chemicals Limited	Solar Nitro Ghana Limited	Solar Madencilik Hizmetleri A.S	Solar Mining Services-Burkina Faso	Solar Mining Services-Albania	Solar Venture Company Limited (Formely known as Laghe Venture Company Limited)	Solar Nitro SARL	Solar Nitro (SL) Limited	Solar Nitro Kazakhstan Limited	Power Blast LLP
The date since when subsidiary was acquired/Incorporated	16.08. 1995	01.04. 2015	16.11. 2020	10.03. 2016	21.03. 2016	29.04. 2022	21.08. 2009	16.12. 2023	16.11. 2009	02.10. 2009	05.01. 2011	04.06. 2014	29.07. 2009	31.07. 1987	05.06. 2007	09.02. 2015	28.02. 2008	16.02. 2010	10.10. 2018	04.11. 2019	09.01. 2008	22.12. 2017	25.01. 2018	06.04. 2021	22.04. 2021	26.08. 2016	05.12. 2022	07.11. 2023	05.05. 2023	01.10. 2023
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	-	INR	INR
Exchange Rate																												-		
Capital	4.80	5.97	0.05	0.05	0.05	9.50	273.44	59.74	87.32	193.21	107.91	0.92	0.01	6.00	30.58	206.31	25.42	0.00	0.00	0.01	50.51	31.53	1.08	0.01	0.54	0.05	0.03	-	9.57	8.83
Reserves	1,025.97	7.88	(0.03)	(0.03)	(0.03)	(2.06)	242.74	(66.74)	(5.60)	(56.05)	(60.12)	(15.81)	98.13	36.90	138.46	(198.00)	(2.06)	44.51	0.55	(0.04)	2.18	(0.81)	5.61	(0.01)	0.05	4.87	0.20	-	(0.16)	(0.06)
Total Assets	1,488.02	138.46	0.02	0.03	0.03	46.85	1,248.80	97.33	97.50	510.90	190.80	84.19	189.75	262.95	442.13	353.54	46.69	216.43	2.89	0.04	133.52	119.44	9.10	0.01	1.20	17.51	0.47	-	9.33	8.88
Total Liabilities	457.25	124.61	-	0.01	0.01	39.41	732.62	104.33	15.78	373.74	143.01	99.07	91.61	220.05	273.09	345.23	23.34	171.92	2.34	0.06	80.84	88.72	2.41	-	0.61	12.59	0.25	-	(0.08)	0.11
Details of Investments (Except Investment in subsidiaries)	Nil	Nil	Nil	0.03	0.03	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.01	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-	Nil	Nil
Turnover	908.27	187.43	Nil	Nil	Nil	0.04	212.08	195.09	-	-	-	-	271.17	519.85	753.28	303.48	25.26	156.26	-	-	102.04	96.70	32.05	-	1.84	4.85	0.40	-	-	-
Profit before Taxation	211.17	14.55	(0.00)	(0.00)	(0.00)	(1.93)	42.47	15.02	(1.58)	(15.19)	(9.12)	(4.09)	89.70	35.43	21.19	(54.91)	(0.03)	4.04	0.71	(0.01)	11.12	5.21	(1.29)	(0.00)	0.21	0.93	0.31	-	(0.25)	(0.05)
Provision for Taxation	54.61	1.39	Nil	0.00	0.00	0.02	1.44	4.10	0.00	-	-	-	24.59	11.67	(7.81)	(14.82)	0.00	1.03	0.17	-	3.34	1.12	0.06	-	0.01	0.28	0.08	-	-	-
Profit after Taxation	156.56	13.16	(0.00)	(0.00)	(0.01)	(1.94)	41.02	10.92	(1.58)	(15.19)	(9.12)	(4.09)	65.10	23.76	29.00	(40.08)	(0.03)	3.01	0.54	(0.01)	7.77	4.09	(1.35)	(0.00)	0.20	0.65	0.23	-	(0.25)	(0.05)
Proposed Dividend																												-		
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	0%										Fellow Subsidaries												
Contribution to the overall performance of the Company	17.89%	1.50%	0.00%	0.00%	0.00%	(0.22%)	4.69%	1.25%	(0.18%)	(1.74%)	(1.04%)	(0.47%)	7.44%	2.71%	3.31%	(4.58%)	0.00%	0.34%	0.06%	0.00%	0.89%	0.47%	(0.15%)	0.00%	0.02%	0.07%	0.03%	-	(0.03%)	(0.01%)

Notes:

1. Names of subsidiaries which are yet to commence operations

   Solar Defence Systems Limited, Solar Defence Limited , Solar Avionics Limited, Solar Nitro Zimbabwe (Pvt) Limited, Solar Mining Services Cote d' Ivorie Limited (SARL), Solar Nitro (SARL), Solar Nitro Kazakhstan Limited, Solar Nitro (SL) Limited, Solar Mining Services- Burkina Faso SARL
2. Names of subsidiaries which have been liquidated or sold during the year: Nil
3. Refer Note 2.1 of Consolidated Financial Statements to see relation with the subsidiary, equity holding and Country of incorporation for each subsidiary.
4. Financial information is based on Audited Results of subsidiaries. The reporting period of the subsidiary is same as that of holding Company.

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "B" Associates

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

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Date on which the associate or joint Venture was associated or acquired	No. of Shares	Amount of Investment in Associates (₹ in Crores)	Extent of Holding %	Networth atrributable of Shareholding as per latest audited Balance Sheet (₹ in Crores)	Considered in Consolidated (₹ in Crores)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not consolidated
1	Zmotion Autonomous Systems Private Limited	March 31, 2023	April 06, 2022	875880	27.75	45.99%	4.94	0.35	0.35	-	-
2	Solar United Company Limited	NA	July 18, 2023	980000	0.00*	49.00%	0.00*	-	-	-	-
3	Ortiz Investments	NA	May 9, 2023	490	0.00*	49.00%	(0.33)	(0.33)	(0.33)	-	-
4	Astra Resources (Pty) Limited	March 31, 2023	April 20, 2015	173	6.38	49.00%	(3.69)	0.00*	0.00*	-	-

* Amount is less than 0.01

NOTES:

- There is no significant influence due to % of Share Capital.
- Solar United Company Limited is yet to commence its Business Operations.
- Name of the associates or Joint ventures which have been sold during the year: NIL

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary and Compliance Officer
Membership No. F7347

Place: Nagpur
Date: May 16, 2024

Solar Industries India Limited

CIN: L74999MH1995PLC085878
Registered office: "Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023 (MH).
Email id: investor.relations@solargroup.com , **Website:** www.solargroup.com
Telephone: 0712- 6634555 **Fax:** 0712-6634578

Notice

Notice is hereby given that the **Twenty Ninth Annual General Meeting (AGM)** of the Members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) ("the Company") will be held on Thursday, July 18, 2024 at 11:30 a.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue to transact the businesses mentioned below.

ORDINARY BUSINESS:

ITEM NO. 1

Adoption of Audited Financial Statements

To receive, consider and adopt (a) audited standalone financial statements of the Company for the financial year ended on March 31, 2024 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, 2024 together with the Report of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**

(a) "**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2024 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 statements of the Company for the financial year ended on March 31, 2024 and the Report of the Auditors thereon laid before this meeting, be and are hereby considered and adopted."

ITEM NO. 2

Declaration of Dividend

To declare a final Dividend on equity shares for the financial year ended on March 31, 2024 and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** a Dividend at the rate of ₹ 8.50/- (Eight Rupees and Fifty Paisa Only) per equity share of ₹ 2/- (Rupees Two only) each fully paid up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Company. "

ITEM NO. 3

Appointment of Director retiring by Rotation

To appoint a Director in place of Shri Manish Nuwal (DIN: 00164388), who retires by rotation and being eligible offers himself for Re-appointment and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Manish Nuwal (DIN: 00164388), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

ITEM NO. 4

Continuation of appointment of Shri Satyanarayan Nuwal (DIN: 00713547) as a Non-Executive Director, Non-Independent Director, designated as the Chairman of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Article of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for continuation of appointment of Shri Satyanarayan Nuwal (DIN: 00713547) as a Non-Executive Director, Non-Independent Director, designated as the Chairman of the Company, not liable to retire by rotation for the period of 3 (Three) years from the date of approval of his continuation as Director or till he attains the age of Seventy-five years as per the Explanatory Statement annexed to the Notice convening this Meeting.

"**RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 5

Re-appointment of Shri Suresh Menon (DIN: 07104090) as a Whole-time Director of the Company and revision in terms of his remuneration

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint Shri Suresh Menon (DIN: 07104090), as a Whole Time Director designated as an Executive Director of the Company, liable to retire by rotation for the period of 3 (three) years from the end of his present term of office, i.e., with effect from May 11, 2025 till May 10, 2028 on the terms and conditions of re-appointment including the revision in terms of remuneration, perquisites, allowances, benefits and amenities with effect from July 18, 2024 payable to Shri Suresh Menon (DIN: 07104090), as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Suresh Menon (DIN: 07104090), remuneration, perquisites, allowances, benefits and amenities not exceeding the limits specified under Section 197 read with Schedule V of the Act, rules made thereunder and other applicable laws, regulations, as amended from time to time as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and/or vary the terms and conditions of the said re–appointment and/or enhance, enlarge, widen, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Shri Suresh Menon (DIN: 07104090), in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Act and the Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 6

Alteration of Articles of Association ("AOA") of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the approval of the Members of the Company be and is hereby accorded for alteration of Articles of Association of the Company by inserting clause 92 after clause 91 in the Articles of Association with the following:

92.	Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.	**Appointment of Nominee Director**

RESOLVED FURTHER THAT Shareholders of the Company be and is hereby adopted a new set of Articles of Association by considering the above-mentioned alteration and the subsequent clauses of Articles of Association to be re-numbered accordingly.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 7

Ratification of Cost Auditor`s Remuneration for the financial year ending March 31, 2025.

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. Deepak Khanuja & 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, 2025 be and is hereby ratified.

RESOLVED FURTHER THAT The Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For **Solar Industries India Limited**

Sd/-
(Khushboo A. Pasari)
Company Secretary &
Compliance Officer
Membership No.- F7347

Date: May 16, 2024
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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the business under Item Nos. 4 to 7 of the accompanying Notice are annexed hereto.**

2. **General instructions for accessing and participating in the 29th Annual General Meeting(AGM) through VC/ OAVM Facility and voting through electronic means including remote e-Voting:**

Virtual Meeting and Remote E-voting

a. The Ministry of Corporate Affairs ("**MCA**") has vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 9/2023 dated September 25, 2023 and all other relevant circulars issued from time to time (collectively referred to as "**MCA Circulars**"), has allowed the Companies to conduct Annual General Meeting through video conferencing ("**VC**") or other audio visual means ("**OAVM**") without physical presence of the members at a common venue. Hence, the members can attend and participate in the ensuing AGM through VC/OAVM. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at "Solar" House, 14 Kachimet, Amravati road, Nagpur- 440023.

b. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a Member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy form and Attendance slip including Route map are not annexed to this Notice. However, the Bodies Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

d. The attendance of the Members (Member's Logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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, January 13, 2021 28th December 2022 and September 25, 2023, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

f. In line with the Ministry of Corporate Affairs Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.solargroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

3. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

a. The remote e-voting period begins on Monday, July 15, 2024, at 10:00 a.m. and ends on Wednesday, July 17, 2024, at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, July 11, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, July 11, 2024.

b. A Person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1 Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Type of shareholders	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.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?"(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join 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 i.e. Thursday, July 11, 2024.

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. Thursday, July 11, 2024 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. Thursday, July 11, 2024 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

5. Shri Tushar Pahade, Proprietor at M/s T. S Pahade & Associates Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

6. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tusharpahade@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

7. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

8. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him who shall then countersign and declare the result of the voting forthwith. The results shall be announced within two working days of conclusion of AGM.

9. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.solargroup.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited, Mumbai.

10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Prajakta Pawale, Executive 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 email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send scan copy of a signed request letter mentioning your folio number, complete address, scanned copy of the share certificate (front and back) email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address investor.relations@solargroup.com or rnt.helpdesk@linkintime.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@solargroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 29TH AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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. Members who would like to express their views/have questions need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address investor.relations@solargroup.com at least 48 hours in advance before the start of the AGM i.e. by Tuesday, July 16, 2024 by 11:30 a.m. IST. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.

6. Institutional Investors, who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.

Electronic dispatch of Annual Report, process for registration of e-mail id and Book closure

4. In compliance with SEBI Circular dated May 12, 2020, January 5, 2023, October 7, 2023 and MCA Circulars, Notice of the AGM and the Annual Report for the financial year 2023-24 including therein the Audited Financial Statements for financial year 2023-24, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the financial year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

    a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address investor.relations@solargroup.com.

    b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

5. The Notice of the AGM and the Annual Report for the financial year 2023-24 including therein the Audited Financial Statements for the financial year 2023-24, will be available on the website of the Company at www.solargroup.com and the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

6. In case any Member is desirous of obtaining hard copy of the Annual Report for the financial year 2023-24 and Notice of the 29th AGM of the Company, may send request to the Company's e-mail address at investor.relations@solargroup.com mentioning Folio No./DP ID and Client ID.

7. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 5, 2024 to Thursday, July 18, 2024 both days inclusive, for annual closing and determining the entitlement of the Members to the final dividend for financial year 2023-24.

Dividend related Information

8. The Board of Directors has recommended Final Dividend of ₹ 8.50/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2024 that is proposed to be paid on Monday, July 29, 2024 subject to the approval of the shareholders at the AGM of the Company.

9. The Company has fixed Thursday, July 4, 2024 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.

    Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or e-mail at solardivtax@linkintime.co.in by 11:59 p.m. IST on Tuesday, July 2, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or e-mail at solardivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Tuesday, July 2, 2024.

    The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates by uploading at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or e-mail at solardivtax@linkintime.co.in by 11:59 p.m. IST on Tuesday, July 2, 2024. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961.

10. The final dividend as recommended by the Board of Directors, if approved at the AGM, payment of such dividend shall be subject to deduction of tax at source will be made on Monday, July 29, 2024 as under:

    a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Thursday, July 4, 2024.

    b. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, July 4, 2024.

11. SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depository and maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank account of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/ Direct Credit etc. The payment of dividend as recommended by the Board of Directors, if approved at the AGM, will be paid as per the mandate registered with the Company or with their respective Depository Participants.

12. SEBI, vide its circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024, upon their furnishing all the aforesaid details in entirety.

    Members holding shares in physical form are requested to update the mentioned details by completing the appropriate ISR forms available at https://www.linkintime.co.in/downloads.html and submitting to Linkin Time India Private Limited at rnt.helpdesk@linkintime.co. by 11:59 p.m. IST on Tuesday, July 2, 2024 to ensure receipt of dividend.

13. 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.

IEPF related Information

14. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, Company has transferred ₹ 52,684/- (Rupees Fifty Two Thousand Six hundred eighty four Only) relating to financial year 2016-17 (Interim) during the financial year 2023-24 to IEPF.

    During the current financial year 2024-25, Company will be required to transfer the unclaimed final dividend for the year 2016-17. Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.solargroup.com. Members who have not encashed Final Dividend for the year 2016-17 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

Information in respect of such unclaimed dividend when due for transfer to the Investor IEPF are given below:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2024 (in Rupees)	Last Date for claiming Unpaid Dividend
2016-17 (Final)	August 21, 2017	60813.00	August 21, 2024
2017-18(Final)	July 31, 2018	84558.00	July 31, 2025
2018-19 (Final)	July 31, 2019	95298.00	July 31, 2026
2019-20 (Final)	September 16, 2020	74126.00	September 16, 2027
2020-21 (Final)	August 31, 2021	58134.00	August 31, 2028
2021-22 (Final)	June 10, 2022	100607.50	June 10, 2029
2022-23 (Final)	June 21, 2023	276432.00	June 21, 2030

15. 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 2023-24, no shares were found to be transferred to IEPF.

    Further, Members who have not claimed/encashed their dividends in the last seven consecutive years from 2017-18 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.

Other Information

16. 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.

17. 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.

18. As per Regulation 40 of SEBI Listing Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. Further, SEBI vide its Master Circular dated May 17, 2023, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/ unclaimed suspense/ renewal/ exchange/ endorsement/ sub-division/ consolidation/ transmission/ transposition service requests received from physical securities holders. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

19. 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.

20. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com.

21. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment / re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking re-appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER.

ITEM NO. 4

Continuation of appointment of Shri Satyanarayan Nuwal (DIN: 00713547) as a Non-Executive Director, Non-Independent Director, designated as the Chairman of the Company

Shri Satyanarayan Nuwal (DIN: 00713547) is the Chairman of the Company since 1995. On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting dated May 3, 2022, have approved the continuation of Shri Satyanarayan Nuwal as a Chairman and Non-executive Director not liable to retire by rotation w.e.f May 3, 2022.

Pursuant to the provisions of Regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the Shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment. Further the Shareholders approval is to be obtained in the first general meeting to be held after March 31, 2024.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on May 16, 2024 have approved the continuation of appointment Shri Satyanarayan Nuwal, as a Non-Executive Director, Non-Independent Director, designated as the Chairman of the Company, not liable to retire by rotation for the period of 3 years from the date of approval of his continuation as Director or till he attains the age of Seventy-five years.

The brief resume of Shri Satyanarayan Nuwal, nature of his expertise in specific functional areas and names of Companies in which he hold directorships and memberships/ Chairmanships of Board Committees, Shareholding and relationships between directors are provided in Annexure to the Notice pursuant to the provisions of (i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

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 there under. Shri Satyanarayan Nuwal shall not draw any remuneration from the Company.

Except, Shri Satyanarayan Nuwal being an appointee and Shri Manish Nuwal, Managing Director and CEO, being his relative, none of other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in this resolution.

Given his skills, integrity, expertise and experience, the Board of Directors considers it desirable and in the interest of the Company to continue the appointment Shri Satyanarayan Nuwal as a Chairman and Non-executive Director not liable to retire by rotation on the Board of the Company.

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 of Shri Suresh Menon (DIN: 07104090) as a Whole-time Director of the Company and revision in terms of his remuneration

Shri Suresh Menon (DIN: 07104090) was re-appointed as a Whole-time Director of the Company for a period of 2 (two) years effective from May 11, 2023 to May 10, 2025.

Based on the Performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 16, 2024, have approved the re-appointment of Shri Suresh Menon as a Whole Time Director designated as Executive Director, liable to retire by rotation for a period of 3 (three) years from the expiry of his present term i.e from May 11, 2025 on the terms and conditions including revision in remuneration of Shri Suresh Menon with effect from July 18, 2024 in accordance with norms laid down in Schedule V and other applicable provisions of Companies act, 2013 and rules made thereunder, subject to approval of the Shareholders.

Broad Particulars of the terms of re-appointment and remuneration payable to Shri Suresh Menon are as under:

1. Period of appointment	**May 11, 2025 to May 10, 2028**
2. Remuneration	
Salary	₹ 12, 50,000 to ₹ 20,00,000 per month (effective from July 18, 2024)
Perquisites: for this purpose perquisites are classified into three categories A,B and C	
Category 'A'	
a) Medical Reimbursement:	
Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.	
b) Bonus:	
As per policies and rules of the Company.	
c) Club:	
Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.	
d) Personal Accident Insurance/ Term Life Insurance	
Premium not exceeding ₹ 5000/- p.a	
Category 'B'	
a) Company's contribution towards Provident Fund, Superannuation Fund.	
b) Gratuity as may be applicable under Payment of Gratuity Act, 1972.	
c) Leave Entitlement: As per Company's Policy	
Category 'C'	
a) The Company shall provide a car with chauffer. Provisions of the car for use in Company's business will not be considered as perquisites. Use of car for Private purpose shall be billed by the Company.	
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee and approved by the Board.	

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Suresh Menon under Section 190 of the Act.

The Nomination and Remuneration Committee of the Company currently comprises of only independent directors and the re-appointment and terms of remuneration are approved by the Committee after considering several factors including performance evaluation.

The brief resume of Shri Suresh Menon, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in Annexure to the Notice pursuant to the provisions of (i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except the appointee Director and/or his relatives with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval of the shareholders.

ITEM NO. 6

Alteration of Articles of Association of the Company

On February 2, 2023 the Securities and Exchange Board of India ("SEBI") had notified Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023. As per the said amendment, Company shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors.

In order to alter the Articles of Association of the Company to comply with the above-mentioned requirements, it is proposed insert new clause no. 92 w.r.t. the appointment of Nominee Director and the subsequent clauses of Articles of Association to be re-numbered accordingly. The consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, this matter has been placed before the Shareholders for approval.

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 Special Resolution set out at Item No. 6 of the Notice for approval of the shareholders.

ITEM NO. 7

Ratification of Cost Auditor`s Remuneration for the financial year ending March 31, 2025.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Deepak Khanuja Partner of M/s Deepak Khanuja & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2024-25 ending on March 31, 2025 at the Audit Fees of ₹ 2,50,000/- (Rupees Two Lakh Fifty 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, 2025.

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. 7 of the Notice for approval of the shareholders.

By order of the Board of Directors
For **Solar Industries India Limited**

Sd/-
(Khushboo A. Pasari)
Company Secretary &
Compliance Officer
Membership No.- F7347

Date: May 16, 2024
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 in respect of Item No. 3,4, and 5

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS–2), the particulars of Directors who are proposed to be appointed / reappointed at this 29th Annual General Meeting, are given below:

Sr. No.	Particulars	Details/ Information	Details/ Information
1.	Name and DIN of the Director	Shri Manish Nuwal (DIN: 00164388)	Shri Satyanarayan Nuwal (DIN: 00713547)
2.	Date of Birth	12/03/1974	25/07/1952
3.	Age	50 years	71 years
4.	Nationality	Indian	Indian
5.	Qualification	• Chartered Accountant • B. Com	• Graduate
6.	Experience (including expertise in specific functional area/ Brief Resume	A second generation entrepreneur and an industrialist with a stupendous financial and management skills. Strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. He has an experience of more than 25 years. His area of expertise are: • Leadership • Strategic Planning • Industry Experience, Research & Development and Innovation • Global Business • Financial, Regulatory / Legal & Risk Management • Corporate Governance • Experience of overseeing Sustainability/ESG Please refer Company's Website: www.solargroup.com for detailed profile.	The progressive journey of Shri Satyanarayan Nuwal from a trader to a large Explosives manufacturer is inspiring. He has an experience of more than 50 years. His area of expertise are: • Leadership • Strategic Planning • Industry experience Please refer Company's Website: www.solargroup.com for detailed profile.
7	Terms and Conditions of Appointment	As per the resolution no. 5 as set out in this Notice calling 27th Annual General Meeting of the Company.	As per the resolution no. 4 as set out in this Notice read with the Statement hereto.
8	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance Report.	Nil
9	Remuneration proposed to be paid	As per existing approved terms of Appointment.	Nil
10	Date of first appointment on the Board	25/10/2008	24/02/1995
11	Shareholding in the Company as on date of this AGM Notice	35232069	3238254
12	Relationship with other Directors / Key Managerial Personnel inter-se	Son of Shri Satyanarayan Nuwal, Non-Executive Director and Chairman	Shri Satyanarayan Nuwal is father of Shri Manish Nuwal, Managing Director and CEO of the Company.
13	Number of meetings of the Board attended during the financial year 2023-24	5 (five) out of 5(five) Board Meetings during the financial year 2023-24.	5 (five) out of 5(five) Board Meetings during the financial year 2023-24.
14	Directorships of other Boards (Listed/ Unlisted) as on date of this AGM Notice	Economic Explosives Limited Solar Avionics Limited MSN Holdings Limited MSN Global Ventures Limited	Economic Explosives Limited Nagpur Infrastructures Private Limited RCOEM Technology Business Incubators Foundation PHD Chamber of Commerce and Industry
15	Chairman/ Member in the committees of Board of other Listed Companies in which he is the Director	Nil	Nil
16	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	Nil	Nil

Sr. No.	Particulars	Details/ Information
1	Name and DIN of the Director	Shri Suresh Menon (DIN: 07104090)
2	Date of Birth	15/11/1960
3	Age	63 years
4	Nationality	Indian
5	Qualification	Bachelor of Technology (Hons) in Mining Engineering.
6	Experience (including expertise in specific functional area/ Brief Resume	Shri Suresh Menon has over 41 years of experience in the Coal, Mining and Explosives industries. His area of expertise is: • Overseeing the marketing operations of the Company at domestic and global levels. • Delivering value to customers. • Expertise and deep understanding of the Explosives Market Please refer Company's Website: www.solargroup.com for detailed profile.
7	Terms and Conditions of Appointment	As per the resolution No. 5 as set out in this Notice read with the Statement hereto.
8	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance Report.
9	Remuneration sought to be paid	As per the resolution No. 5 as set out in this Notice read with the Statement hereto.
10	Date of first appointment on the Board	May 11, 2018
11	Shareholding in the Company as on date of notice	Nil
12	Relationship with other Directors / Key Managerial Personnel inter-se	Shri Suresh Menon is not related to any other Director / Key Managerial Personnel of the Company.
13	Number of meetings of the Board attended during the financial year 2023-24	5 (five) out of 5(five) Board Meetings during the financial year 2023-24.
14	Directorships of other Boards (Listed/ Unlisted) as on date of this AGM Notice	Solar Explochem Limited Solar Defence Limited Solar Defence Systems Limited
15	Chairman/ Member in the committees of Board of other Listed Companies in which he is the Director	Nil
16	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	Nil

SOLAR
INDUSTRIES
INDIA
LIMITED

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