June 27, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Trading Symbol: "SOLARINDS EQ"
Through NEAPS

To,
BSE Limited
Floor no.25, PJ Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 532725
Through BSE Listing Center

Sub: Integrated Annual Report for the financial year 2024-25 including Notice convening 30th Annual General Meeting (AGM) and Intimation of Record Date.

Dear Sir/Madam,

This is to inform you that, pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), please find enclosed herewith Integrated Annual Report of the Company for the financial year 2024-25 including the Notice convening 30th Annual General Meeting (**"Notice"**) sent to the members through electronic mode. The AGM of the Company will be held on **Tuesday, July 22, 2025, at 11.30 a.m. (IST)** through Video Conference ('VC')/Other Audio Visual Means (OAVM). The Secretarial Audit Report of material unlisted subsidiary also forms part of this Annual Report.

The Notice of AGM along with the Annual Report for the financial year 2024-25 is also being made available on the website of the Company at: www.solargroup.com.

Further, to our outcome of the Board Meeting dated May 20, 2025, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Tuesday, July 8, 2025 as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2025. Payment of dividend will be made on Thursday, July 31, 2025, subject to approval of the members at the ensuing 30th AGM of the Company. This is for your information and records.

For Solar Industries India Limited
Khushboo Anish Pasari
Digitally signed by Khushboo Anish Pasari
Date: 2025.06.27 20:18:08 +05'30'
Khushboo Pasari
Company Secretary &
Compliance Officer

Solar Industries India Limited
Regd. Office : "Solar" House, 14,
Kachimet, Amravati Road,
Nagpur - 440023, Maharashtra, INDIA
CIN : L74999MH1995PLC085878
solar@solargroup.com
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+91 712 663 4567
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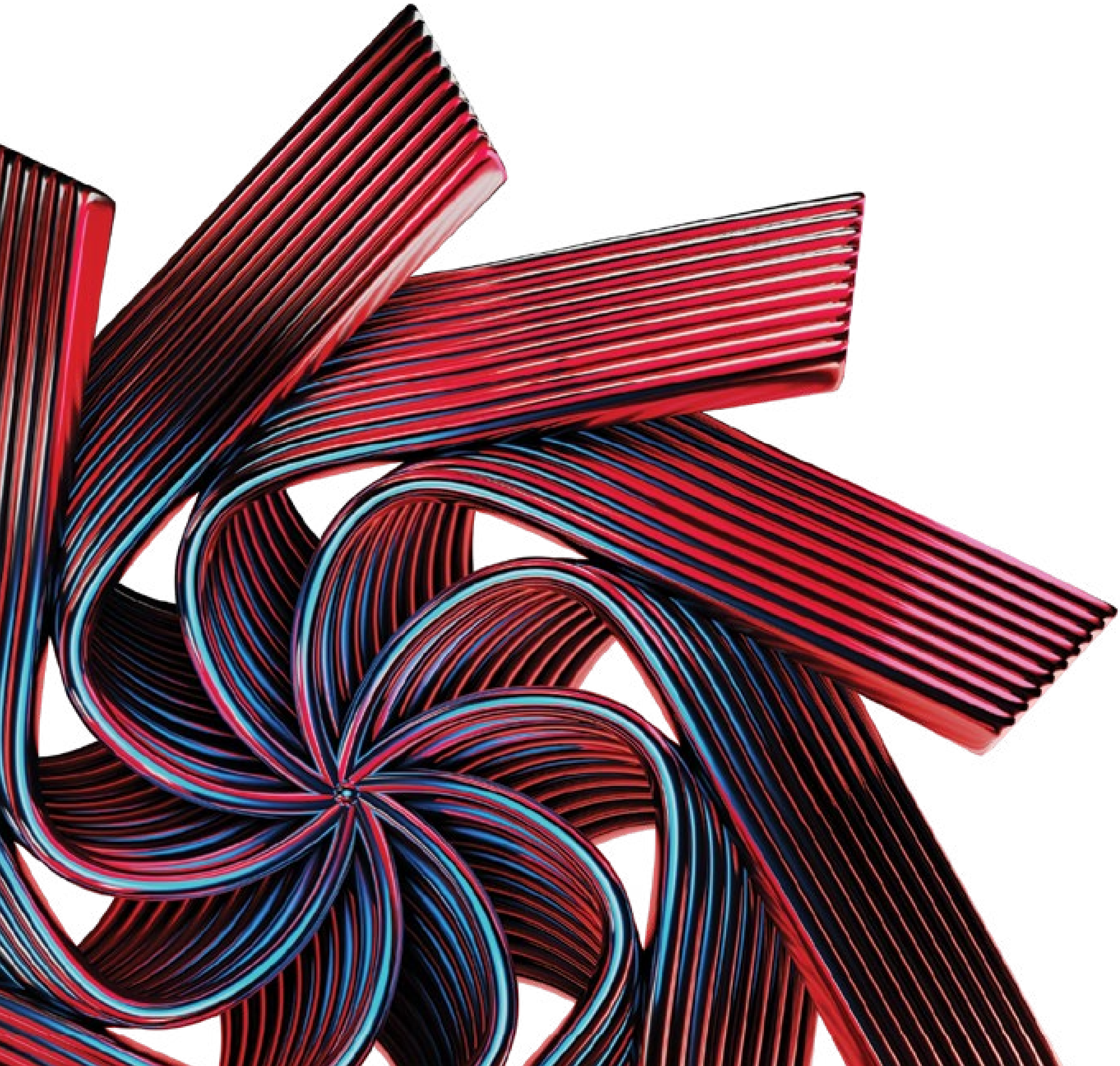
Power to Propel
the Future

Solar Industries India Limited
Annual Report 2024-25



About the Report

This is Solar's Integrated Annual Report for FY 2024-25, providing a comprehensive assessment of financial and non-financial metrics. This report covers the financial year from April 01, 2024, to March 31, 2025 .

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.

BSE scrip code:

532725

NSE Trading Symbol:

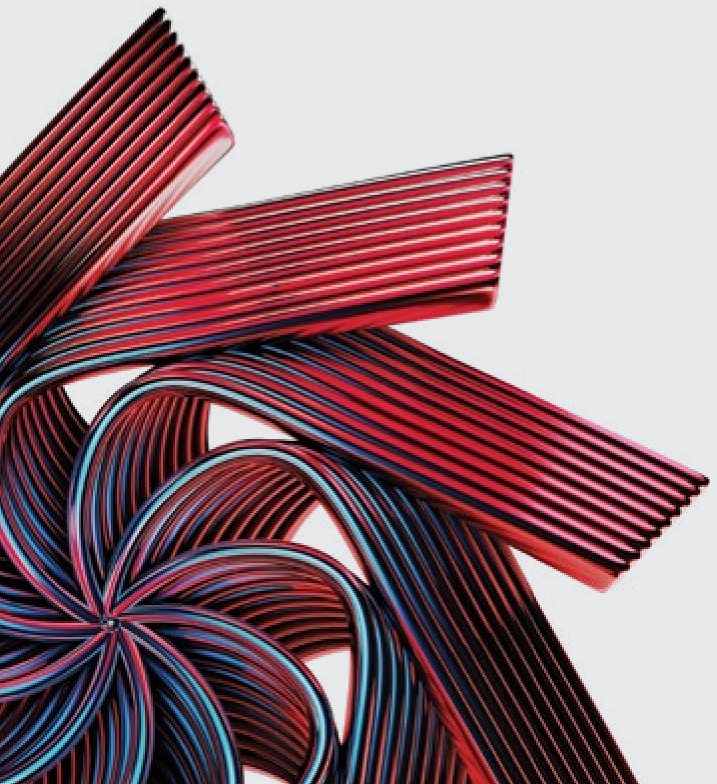
"SOLARINDS"

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

Inside the Report

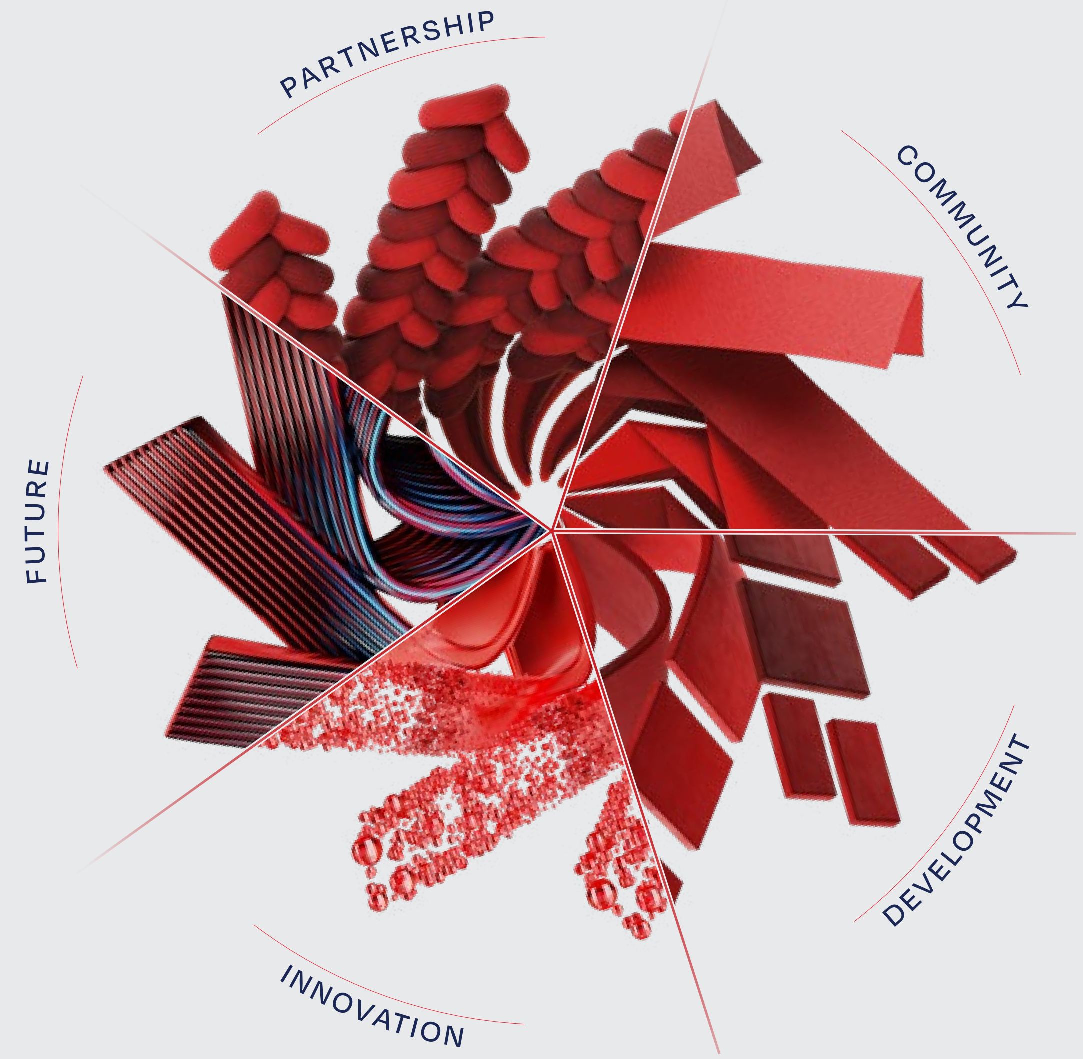
Power to Propel
the Future

Our momentum stems from clarity of purpose, decisive action, and the confidence to move forward with intent. At Solar, this power has driven our journey from delivering explosives for mining applications to supplying ammunition for national security and now expanding our footprints in the space sector. Every milestone reflects our readiness to deliver with scale, speed and responsibility.



- Defence order book reached more than ₹ **15,000 Crores**, with nearly 40% comprising export orders.
- Signed an MoU with the Maharashtra Government to set up a ₹ **12,700 Crores** Defence and Aerospace project in Nagpur, expanding future production capacity.
- Secured a ₹ **6,084 Crores** defence contract from the Ministry of Defence for Pinaka multiple rocket launcher system.
- ₹ **8,500+** Crores export contracts, reinforcing our global role in defence supply.
- Became the first private company in India to successfully test-fire Pinaka rockets, fully designed and manufactured in-house.
- Continued to serve critical sectors with safe, high-performing blasting solutions tailored for mining, infrastructure, and defence.
- Developed high-energy explosives certified by the Indian Navy, engineered for superior performance in sensitive applications.
- Strengthened systems integration and precision manufacturing capabilities to enable next-generation defence solutions.

Solar is strategically positioned to meet emerging global demands and lead the next phase of industrial revolution.



The Innovation Chakra

Inspired by atoms and molecules, this Chakra reflects our commitment to push new boundaries. It symbolises the power of scalable and tech-enabled thinking to solve complex challenges and strengthen our position in the industry.

The Development Chakra

Inspired by building blocks, this Chakra highlights our focus on executing excellence. It represents our role in powering infrastructure through talent, platforms, and digital capabilities that support inclusive growth.

The Partnership Chakra

Formed by interwoven threads, this Chakra embodies our collaborative spirit. It represents trust, co-creation, and shared ambition that define our long-term relationships with clients, partners, and institutions.

The Future Chakra

Symbolised by a lighthouse, this Chakra reflects the boundless possibilities of tomorrow. It represents our agility in anticipating change, adapting to evolving needs, and reimagining progress aligned with our core purpose.

The Community Chakra

Shaped like the wings of a pinwheel, this Chakra reflects our commitment to empathy and inclusion. It symbolises how we address societal challenges and build resilient communities through collaboration and responsibility.

ABOUT US

Propeller of Continuous Progress

At Solar, we stand out by harnessing a unique combination of innovations and forward-looking initiatives. We rank among the world's leading manufacturers and suppliers of explosives, initiating systems and Ammunitions.

Building on our extensive expertise—spanning more than three decades—we have developed a wide range of high-quality, innovative solutions across diverse sectors such as mining, infrastructure, construction, defence and space. We are recognised for spearheading the indigenous development of high energy explosives, as well as for our innovations in drone-based loitering munitions. Through continuous investment in automation, R&D, and specialised infrastructure, we fulfil large-volume, long-cycle contracts for the customers across the globe.

Presence in
90+
countries

Worldwide presence with
40+
manufacturing facilities (in 9 countries)

What Powers Us

Empowered brand identity

Our renewed brand identity reflects a future-focused, impact-driven mindset aligned with national priorities.

Integrated operations

Our integrated value chain enhances quality control, cost efficiency, and response time across critical product categories.

Diversified product portfolio

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.

Financial strength

A near-zero debt profile and strong cash flows allow sustained investments in growth, innovation, and infrastructure.

R&D and collaboration

Ongoing innovation and partnerships with DRDO help us develop next-generation solutions for strategic and tactical applications.

Operational agility

Our flexible production and supply systems ensure adaptability to market shifts, policy changes, and customer demands.

Risk-managed growth approach

We follow a calibrated expansion model that balances opportunity, compliance, and operational risk.

Compliance and safety standards

We comply with ISO 9001, ISO 14001, and ISO 45001 standards and implements rigorous safety protocols including regular audits, workforce training, and emergency drills across its hazardous manufacturing operations.

Strong presence in the defence sector

Solar has been instrumental in supplying ingenuous booster systems for the Brahmos Missile, Pinaka Rocket Systems and other Loitering Munitions, highlighting its growing recognition in global defence market.

Robust export base

Our robust export base now spans in multiple continents, reflecting India's growing capabilities in delivering world class defence solutions.

Global Presence

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.

Delivering on Our Promise to Innovate

On March 30, 2025, the Hon'ble Prime Minister of India, Shri Narendra Modi Ji, visited the Solar Defence and Aerospace Limited facility in Nagpur. During the visit, he inaugurated two infrastructure projects: the Loiter Munition Test Range and a 1.27 kilometre runway facility built for the development and testing of MALE and HALE class Unmanned Aerial Systems.

Spread over 1,080 acres, the Loiter Munition Test Range includes a dedicated Command and Control Centre, endurance and communication zones, and a take-off area designed specifically for UAV and loitering munition trials. The newly constructed 1.27 km airstrip has been built to support the full development and testing cycle of MALE and HALE class drones, as Solar expands its footprint into aerial platforms.

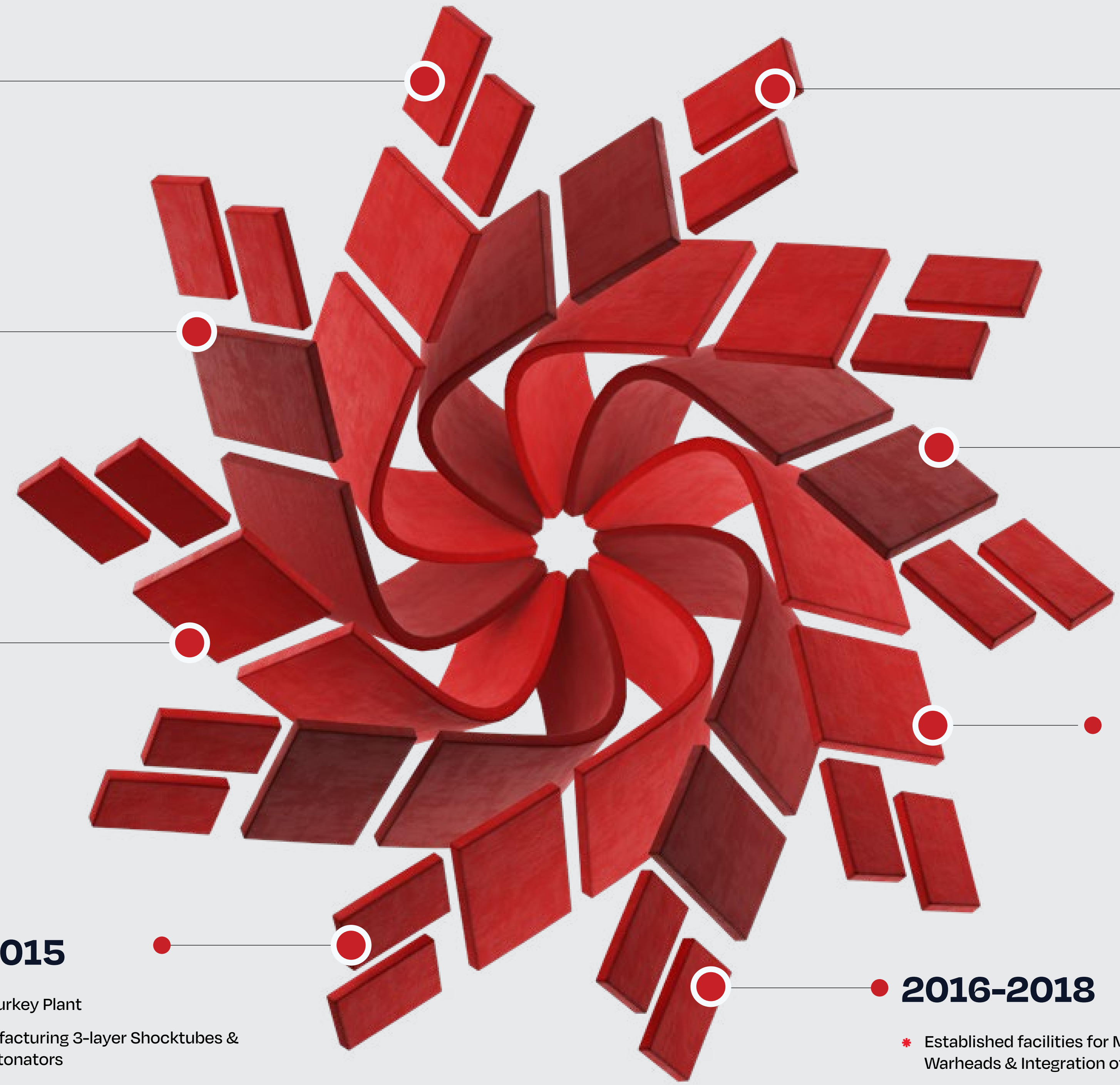
As we look ahead, the visit strengthens our resolve to continue building future-ready capabilities and delivering solutions that serve national priorities with scale and precision.

India's
First
Private Sector Military Drone Testing Runway

1,080 Acres
Loitering Munition Test Range

MILESTONES

Mapping Our Progress Over the Years



1996-2000

- Commenced production of Packaged Explosives, Bulk Explosives and Detonators

2001-2005

- Added Detonating Cord, Cast-Boosters, PETN to the Product Portfolio
- Expanded our footprint to international markets

2006-2011

- Got Listed on BSE & NSE
- Established facilities in Zambia and Nigeria
- Ventured into Defence

2012-2015

- Established Turkey Plant
- Started Manufacturing 3-layer Shocktubes & Electronic Detonators
- Commenced supply of High Energy Materials
- Established facilities for Propellant / Ignitors

2016-2018

- Established facilities for Multi Mode Hand Grenade, Pyros, Ignitors, Warheads & Integration of Rockets
- Large Scale capacity for High Energy Materials established
- Commenced TNT Plant
- Commenced production of Solid Propellant Booster for BrahMos Missiles
- Commenced operations at South Africa

2019-2022

- Solar reached the momentous 25 year milestone
- Established Centre of Excellence for Life Assessment
- Manufacturing started at Ghana, Tanzania & Indonasia
- Enhanced Detonator capacities

2023-2024

- Ranked amongst The TOP 5 Global Explosives companies
- Fully indigenous 30mm Ammunition supplied to the Indian Navy lion
- Received the First ever order for Loitering Muniton - NAGASTRA-1 by a private company

2024-2025

- Bagged highest ever order for PINAKA Rockets valued at ₹ 6,084 Crores
- Defence orderbook stands at ₹ 15,000+ Crores
- Counter Drone System (Bhargavastra) Micro Missile initial trials successful
- Loitering Munition - NAGASTRA-1 successfully delivered to the Indian Army
- Crossed Market cap ₹ 1,00,000 Crores

CHAIRMAN'S MESSAGE

Power to Advance the Nation's Progress

Solar has signed a Memorandum of Understanding with the Government of Maharashtra to establish an Anchor Mega Defence and Aerospace project in Nagpur. The proposed investment of ₹ 12,700 Crores over the next ten years will enhance the Company's long-term manufacturing capabilities. Alongside this, Solar has received a ₹ 6,084 Crores order from the Ministry of Defence for the supply of Pinaka Enhanced Range rockets and Area Denial Munitions, further strengthening its production scale and project pipeline.

Dear Stakeholders,

It is with great pride and gratitude that I present to you the Annual Report for financial year 2024–25. This has been a year of significant milestones, bold transformation, and resilient growth for Solar Industries India Limited. As we reflect on our journey and look into the future, the chosen theme for this year — "Power to Propel the Future" — captures the very essence of our mission: to be a force that drives progress, empowers industries, strengthens national security, and commitment to sustainability.

Propelling progress: FY25 in focus

In the past year, we have made purposeful strides across all verticals. From scaling our global footprint to executing high-value defence orders, our growth has not only been financial but also strategic. We continue to invest in R&D, innovation, and advanced manufacturing capabilities to meet the evolving needs of our diverse clientele in mining, infrastructure, and defence.

India's defence and explosives sector has entered a phase of accelerated growth, backed by policy reforms, increased capital allocation, and the strategic push for self-reliance. Against this backdrop, Solar has continued to strengthen its position through forward-looking investments and early capacity creation across key areas of national interest.

Our defence business has expanded significantly, now accounting for approximately one-fifth of the overall portfolio. This growth stems from strategic foresight, capacity expansion, and alignment with India's push for greater indigenous defence production and global competitiveness. We have consistently broadened our defence offerings, including advanced ammunition systems and energetic materials designed for strategic and tactical use. Our research initiatives, undertaken in collaboration with Defence Research and Development Organisation (DRDO), are focused on building scalable solutions that address the complete spectrum of the defence value chain.

Solar has signed a Memorandum of Understanding with the Government of Maharashtra to establish an Anchor Mega Defence and Aerospace project in Nagpur. The proposed investment of ₹ 12,700 Crores over the next ten years will enhance the Company's long-term manufacturing capabilities. Alongside this, Solar has received a ₹ 6,084 Crores order from the Ministry of Defence for the supply of Pinaka Enhanced Range rockets and Area Denial Munitions, further strengthening its production scale and project pipeline.

In line with emerging global standards, we introduced two environmentally conscious products during the year: a non-detonating green explosive and a green detonator designed to eliminate the use of lead. The green detonator enables flexible blast control, easier field connectivity, and improved safety. The non-detonating explosive has been engineered to meet performance requirements while significantly reducing environmental impact.

Safety, Quality & Reliability – Our Uncompromising Pillars

At Solar, our growth is built on an unwavering commitment to safety, quality, and reliability — principles that are deeply embedded in our operations, culture, and products. Whether it is the stringent protocols followed at our manufacturing plants, the adherence to global quality standards, or the flawless execution of complex defence orders, our focus remains steadfast.

Hon'ble Prime Minister's Visit – A National Recognition

This year, we had the exceptional honour of hosting the Hon'ble Prime Minister of India, Shri Narendra Modi Ji, at Solar Defence and Aerosapace Limited for the inauguration of our Loitering Munition Testing Range. His visit was a testament to our pivotal role in India's journey towards self-reliance in critical defence and industrial technologies. The Prime Minister's encouragement further reaffirmed our resolve to invest in innovation and support the national 'Atmanirbhar Bharat' vision.

Defence Opportunities: Expanding Our Strategic Horizon

The defence sector has emerged as a major growth factor for Solar Industries. Our ability to indigenously design, develop, and deliver world-class defence products places us at the forefront of India's defence modernization efforts.

Strengthening Corporate Governance and Ethical Leadership

At Solar, we believe that strong governance is the bedrock of sustainable success. Our Board of Directors, comprising seasoned professionals and independent experts ensure that all strategic decisions are taken with integrity, accountability, and transparency.

Fostering environmental stewardship, making a positive social impact and maintaining good corporate governance have always been an integral part of our ethos since the outset. Your Company firmly believes that strong communities play a pivotal role in contributing to an equitable future.

Sustainability: Our Duty to Future Generations

Our growth is guided by a deep sense of responsibility to the environment and society. We are actively pursuing sustainable practices across our operations — from energy-efficient manufacturing and renewable energy adoption to waste minimization, water conservation, and biodiversity enhancement

People: The Heart of Our Progress

None of our achievements would be possible without our people. Our engineers, scientists, plant workers, R&D teams, and leadership — all contribute tirelessly to our shared vision. We have fostered a culture of innovation, inclusion, and performance, empowering every employee to take ownership and contribute meaningfully.

Looking Ahead: A Future Full of Potential

As we look into the future, Solar Industries is well-positioned to explore new frontiers — from next-generation defence technologies to international markets. Our investment in automation, AI-driven production systems, and digital transformation will further sharpen our competitive edge.

Gratitude

In closing, I want to thank all our stakeholders — employees, shareholders, customers, partners, regulatory bodies, and community members — for their continued trust and belief in our journey.

With the Power to Propel, we are committed to driving sustainable, inclusive, and innovative growth — for India, and for the world.

Warm Regards,

Satyanarayan Nuwal
Chairman
Solar Industries India Limited

Visit of Chief of Naval Staff, Admiral Shri Dinesh Kumar Tripathi ji at Solar Defence and Aerospace Limited

MD & CEO'S MESSAGE

Preparing for the future, together

> We are continuously evolving to meet future demands in explosives and ammunition. A major breakthrough was the development of low-density bulk explosives for safer, more efficient coal mining. We also introduced India's first permissible electronic detonators an innovation that enhances safety in gassy coal mines.

Dear Shareholders,

It gives me immense pride to present this year's annual report at a pivotal juncture in our company's journey.

The year gone by has been remarkable, defined by resilience, transformation, and forward momentum. Through the aligned and collaborative efforts of our teams, and strong support from our stakeholders, we delivered impactful outcomes while strengthening the foundation for future growth.

As Solar unfolds new chapters, new ventures, and developments; we have reimagined the way we present ourselves to the world. The positive energy and continuous growth that Solar has always represented itself , has inspired us to design a sophisticated symbol that is not just an emblem but indeed an embodiment of our philosophy. An emblem that reaffirmation of our brand's unique ability to uplift our customers, partners, employees, investors, and the communities to greater heights.

Our new identity—emerging from the concentric "S" of Solar, inspired by the energy of the Sun and the momentum of propeller wings— derived from the venerated and auspicious Indian Swastik, encapsulates our spirit of dynamism and progress for our stakeholders and society.

It signifies our commitment to act with power that propels development, innovation, collaboration, communities and the future in every sphere we touch.

Harnessing a World of Opportunities

With its deep domain expertise and proven capabilities, Solar now stands at the threshold of immense global opportunities.

With internationally certified products, a growing global presence, and a strong focus on advanced technologies, we are shaping the future of explosives, defence, and aerospace. We are actively expanding our global footprint through strategic acquisitions and by entering new international markets. With our manufacturing units in 9 countries and 4 continents; new plants in Kazakhstan, Zimbabwe, and Thailand we ensure proximity to key markets and reliable supply chains.

Partnering in Nation Building

Solar's portfolio of advanced explosives and initiating systems serves as a powerful enabler of national progress.

We are deeply aligned with Government of India's infra policies and embedded in critical infrastructure sectors—highways, irrigation and dams, high-speed rail, metro networks, airport, economic corridor and expressway development—all of which enhance geographical connectivity.

Our team of highly skilled blasting specialists not just deploy products but offer cutting edge blasting solutions groundbreaking technology which redefined blasting efficiency, making it safer and precise.

In turn, we contribute to reshaping the logistics industry and creating a transformative impact on society, paving the way for a new era of industrial growth and inclusive development.

Growing share of defence in our order book

At Solar we bring great power and shoulder the greater responsibilities.

Within the domestic defence space, Solar is positioned at the forefront of India's self-reliance vision. A defining achievement this year has been the finalisation of the Pinaka rocket order from the Ministry of Defence, Government of India, the biggest contract in the history of Solar Group.

Solar's defence sector revenue has increased from ₹ 517 Crore in FY 24 to ₹ 1355 Crore in FY25 showing a growth of 162%. Hosting Hon'ble Prime Minister of India - Shri Narendraji Modi - was a moment of immense pride, and greatly boosted the confidence of all Solarians, complementing our growing contribution in Make in India, Make for World mission of our nation.

Years of strategic efforts in building state of the art facilities, developing wide range of products and qualifying products across the customers has positioned Solar as a strong defence player in the global market. This is reflected in the substantial increase in our order book to over ₹ 15,000+ Crore, including a landmark order of ₹ 6,084 Crore for Pinaka rockets and contracts of around ₹ 8,500 Crore from international markets. Our offerings—ranging from high-performance energetic materials and next-generation explosive devices to medium and high calibre ammunition, rockets, missiles, and UAVs—are designed to accelerate progress for our clients and contribute meaningfully to securing borders and driving development.

Driving Performance-Rewarding Trust

During the financial year 2024–25, Solar has delivered an exceptional financial performance, achieving a consolidated revenue of ₹ 7,540 crore and a Profit After Tax (PAT) of ₹ 1,288 crore. These results reflect the strength of our core business, operational efficiency, and the success of our strategic initiatives across domestic and international markets. Despite global uncertainties, our focus on innovation, safety, and execution has reinforced our leadership in the Industrial Explosives and Defence sectors. Backed by a strong balance sheet and robust cash flows, the Board is pleased to recommend a dividend of ₹ 10 per share, underscoring our commitment to creating consistent value for our shareholders. This performance stands as a testament to the dedication of our team, the trust of our partners, and our continued pursuit of sustainable and long-term growth.

Relentless Pursuit of Innovation

At Solar, innovation is not a milestone; it is a mindset.

We are continuously evolving to meet future demands in explosives and ammunition. A major breakthrough was the development of low-density bulk explosives for safer, more efficient coal mining. We also introduced India's first permissible electronic detonators an innovation that enhances safety in gassy coal mines.

Our growing intellectual property base is a testament to our R&D driven culture. We are invested in developing proprietary non-nuclear high-energy explosives, autonomous drones, and loitering munitions, technologies that are shaping the future of modern warfare and national security.

We have successfully developed one of India's most advanced and lethal non-nuclear explosives — SEBEX-2, SITBEX-1 and SIMEX-4 — the sheer enhancement of firepower and explosive effect, marking a significant leap forward in the nation's defence capabilities.

In our flagship loitering munitions "Nagastra" family, further to the supply of 480 Nagastra-1 loitering munitions to the Indian Army, enhancing defence capabilities with GPS-guided precision strike drones capable of neutralizing hostile targets in kamikaze mode across varied terrains and distances, while Nagastra-2 and Nagastra-3, the latter a prototype for the Medium Range Precision Kill System (MRPKS), are under development.We have also successfully tested hard-kill counter-drone system "Bhargavastra" designed to neutralize drone swarms using micro-missiles and micro-rockets.

Some of our future goals of development include proximity fuze, high performance UAVs, UAS, C-UAS for surveillance and defence against ariel threats.

To further enhance our innovation capabilities, we are scaling up our infrastructure with advanced facilities and cutting-edge equipment. These enable our teams to refine explosive formulations and continuously upgrade our product suite. Collaborations with top research institutions, including the defence research, academic bodies, and mining research organisations are helping us push the boundaries of scientific excellence.

Embedding Sustainability at the Core

We recognise that true growth must be sustainable.

We recognise that true growth must be sustainable. Our facility enhancements, R&D, and innovations extend beyond business goals, deeply committed to fostering a thriving ecosystem and uplifting society for a better future. We have adopted impactful practices that harmonize operational excellence with ecological responsibility by embracing latest technologies, such as energy-efficient systems and advanced emission controls. Advancements in water conservation and the adoption of renewable, biodegradable fuel sources further underscore our dedication to preserving natural ecosystems for future generations. Beyond our operations, our deep-rooted engagement with communities fosters environmental awareness and revitalizes local ecosystems, creating a ripple effect of positive change.

The Grit Factor

In every step we take toward progress, it's the grit of our people that shines the brightest.

As we move ahead in our digital journey, we do so with immense gratitude for the unwavering commitment our team brings to the table. One such greenfield initiative in digitization is GajPrastha —not to tweak the old, but to build a resilient, intelligent, and future-ready organisation.

Going forward, our focus will be on empowering individuals—the true assets of our company—by investing in their learning, development, and leadership potential. We have also planned several initiatives to foster stronger bonds and camaraderie across teams, ensuring a more cohesive and motivated workplace.

Charting the Next Frontier

We are determined to move up the explosives, defence and aerospace value chain from supplying materials to delivering complete solutions and integrated platforms. This strategic evolution will unlock export opportunities and create new milestones in our global growth journey.

In conclusion, I express my gratitude to our customers, partners, employees, investors, and all the stakeholders. Your consistant support over the past three decades has been instrumental to our success journey.

Together, we will continue to build on our legacy, embrace new opportunities and propel our stakeholders to the next orbit.

Sincerely,

Manish Satyanarayan Nuwal

MD & CEO
Solar Industries India Limited

STAKEHOLDER ENGAGEMENT

Enhancing Value Creation through Impactful Communication

At Solar, we consistently prioritise creating value for stakeholders and maintaining transparent engagement to better address their concerns. Through ongoing collaboration with key stakeholders, we continue to safeguard their best interests while driving growth, innovation and exploration of new paths to success.

Our Stakeholder Engagement Approach

Transparency and Accountability

We ensure clear, honest communication with our stakeholders and regularly update them on our performance, initiatives and future strategies.

Collaboration and Partnership

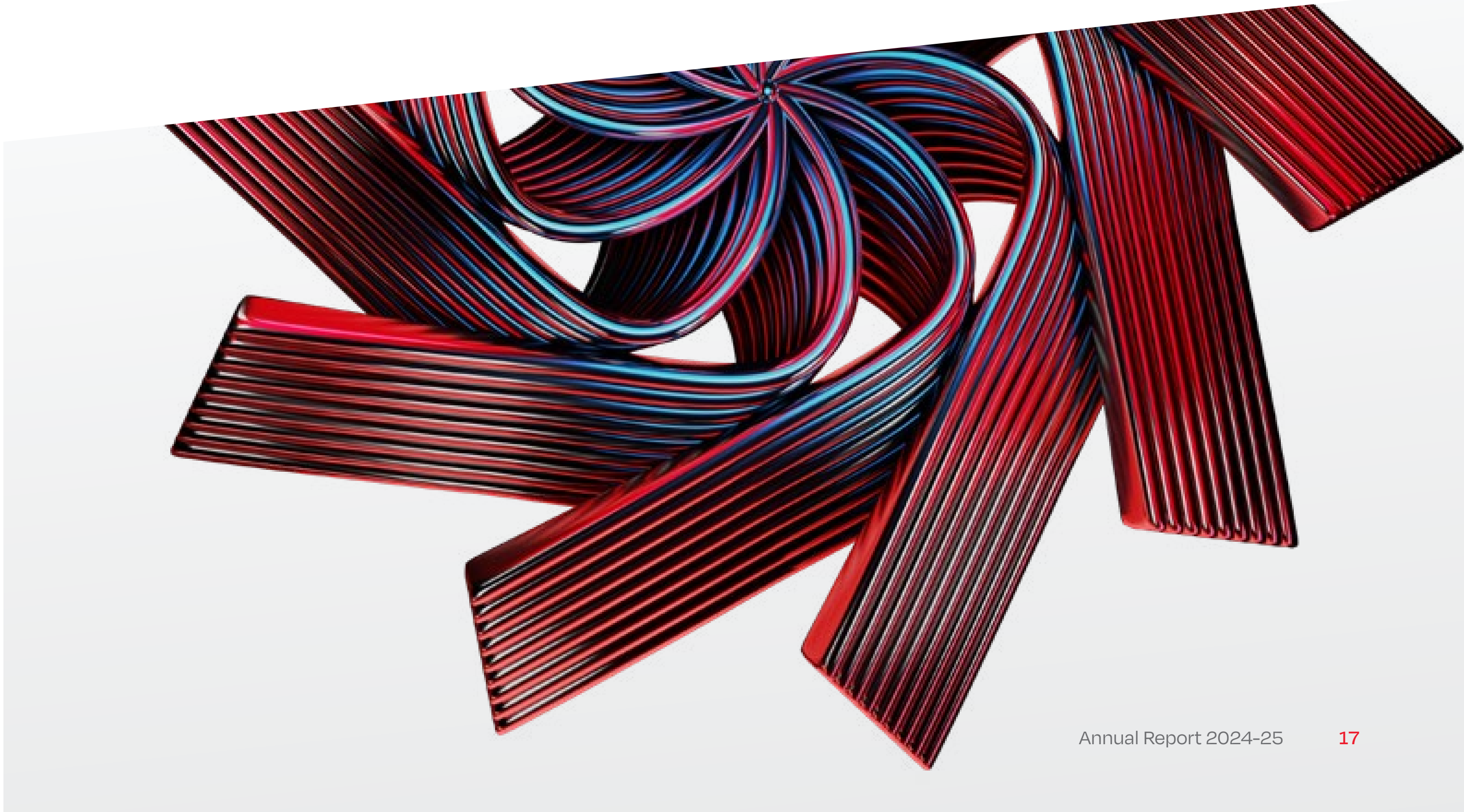
We work closely with all stakeholders and nurture long-term relationships to drive shared value creation.

Active Listening and Responsiveness

We understand stakeholder concerns and use their feedback to adapt, innovate and improve.

Sustainability Focus

A sustainability framework—aligned with global best practices—underpins all our stakeholder engagements.



Our Engagement Framework

Customers

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

What customers expect from us	What we expect from customers	How we engage	
* High-quality, safe, and reliable products * Confidentiality in sensitive transactions * Consistent innovation and product differentiation * Efficient and responsive service	* Feedback for continuous improvement * Responsible consumption practices * Engagement through digital and direct channels	* One-to-one interactions * Site-visits * Customer meetings * E-mails * Feedback Mechanism-Online Survey * Digital Channels * Trial and improvement programmes	C Continuous P Periodic P Periodic N Need based A Annually C Continuous C Continuous

Business Partners

Capital Linkages: Financial, Social and Relationship

What business partners expect from us	What we expect from business partners	How we engage	
* Fair and long-term contracts * Timely payments * Transparency in dealings * Support for capacity-building and growth	* Compliance with ethical and legal standards * Reliable and cost-effective supply chains * Innovation and value creation * Commitment to sustainability	* E-mail communication * Site visits * One-to-one interactions * Business partner surveys * Structured meetings	N Need based P Periodic C Continuous A Annually P Periodic

Employees

Capital Linkages: Human, Manufactured, Intellectual

What employees expect from us	What we expect from employees	How we engage	
* Competitive compensation and benefits * Safe and inclusive work environment * Career growth and learning opportunities * Job security and work-life balance	* Productivity and commitment to company goals * Upholding company values and ethical conduct * Willingness to innovate and adapt * Collaboration and teamwork	* Employee engagement surveys * Joint consultation system * Grievance mechanism * Rewards and Recognition * Face to Face interactions * Cultural events * Trainings and Workshops	A Annually P Periodic C Continuous C Continuous C Continuous E Event based C Continuous

Capitals Financial | Manufactured | Intellectual | Human | Social and Relationship | Natural

Communities

Capital Linkages: Natural, Social and Relationship

What communities expect from us	What we expect from communities	How we engage	
* Contribution to local development initiatives * Job and livelihood opportunities * Support for health, sanitation, and education * Environmental sustainability efforts	* Active participation in development programs * Support for responsible business operations * Collaboration for inclusive growth * Engagement in CSR initiatives	* CSR initiatives * Field visits * Face to face interactions * Collaboration through NGOs	Engagement as per need

Government and Regulatory Bodies

Capital Linkages: Financial, Natural, Social and Relationship

What governments expect from us	What we expect from governments	How we engage	
* Compliance with laws, industry norms, and taxation policies * Transparent reporting and ethical governance * Contribution to national economic and sustainability goals * Participation in policy dialogues and public initiatives	* Clear and fair regulatory frameworks * Support for business growth and industry development * Stable and predictable policy environments * Infrastructure and ease-of-doing-business reforms	* Reports * One-to-one interaction * Events * E-mail communication * Letters	Engagement as per need

Shareholders and Investors

Capital Linkages: Financial, Social and Relationship

What investors expect from us	What we expect from investors	How we engage	
* Consistent financial performance and returns * Transparent corporate governance * Risk management and business resilience * Long-term value creation	* Long-term commitment to the company's vision * Engagement in governance and strategic decision-making * Constructive feedback on business performance * Ethical and responsible investment practices	* Annual general meetings * Conference call * Press releases * Annual reports * News channels * Website updates * Stock Exchange releases * Investors Grievances and Redressal Mechanism's	A Annually Q Quarterly Q Quarterly A Annually E Event based C Continuous P Periodic E Event based

Capitals Financial | Manufactured | Intellectual | Human | Social and Relationship | Natural

Financial Capital

Manufactured Capital

Human Capital

Natural Capital

Intellectual Capital

Social and Relationship Capital

Integrated Strategy for Value Creation

BUSINESS MODEL

Operating on Integrated Value-Creation Model

Inputs

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
₹ 4,537 Crores Shareholders' Fund **₹ 946 Crores** Borrowings **₹ 3,420 Crores** Retained earnings	**₹ 1,182 Crores** CAPEX **40+** Manufacturing facilities worldwide **₹ 3,163 Crores** Gross block	**₹ 25 Crores** R&D expenditure in last 5 years **245** Professionals in the R&D and Quality Control Teams	**11,245** Total workforce **1,41,117** Training hours **1,08,736** Safety training hours	**10,000+** Supplier base **₹ 37.16 Crores** CSR expenditure **95,380** Shareholder base	**7,33,947 KL** Water consumption **10,39,919 GJ** Energy consumed

How we create value

Inputs That Matter
Primary Inputs

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

Advanced R&D, customised formulations

Rigorous testing, safety compliance and precision

Scalable, efficient and sustainable production

What We Deliver
Products Portfolio

- Bulk explosives
- Packaged explosives
- Propellants and Warheads
- Initiating systems
- High Energy Materials
- Ammunition
- Pyros and Fuzes
- Rockets and Missiles
- UAS and Drones

Impacts That Lasts
Downstream industries

- Mining
- Well sinking
- Housing
- Defence
- Space
- Hydro projects
- Irrigation
- Seismic exploration
- Road & Infrastructure

Outputs

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
₹ 7,540 Crores Revenue from operations **₹ 1,288 Crores** PAT **₹ 2,031 Crores** EBITDA **26.19%** Return on equity **₹ 90.49 Crores** Dividend payout	**6,00,000 MT** of Explosives supplied **20.86** Inventory turnover ratio	Development of high-energy materials, indigenous loitering munitions, and next-generation explosive technologies. Implementation of Gensuite safety platform, SAP for operational management, IoT, and cybersecurity enhancements for improved efficiency. Expanded capabilities in chaff, flares, drone components, and execution of a ten-year Pinaka rocket contract.	**2,02,12,352 Hours** of injury-free work **Zero** complaints of sexual harassment **1,092** Training and development sessions conducted Employee complaints under vigil mechanism **Zero** Mothers returned after their maternity leave with same role or successful role transfers-**100%**	**₹ 451 Crores** contribution to the exchequer Strong, trust-based relationships with community members, partners, suppliers, customers and all stakeholders. **₹ 133.65** Earning Per Share	**20%** energy usage is from the renewable sources **7%** Increase in utilisation of solar energy **81%** of the waste managed through reusing, recycling and compliant disposal **Zero** Liquid Discharge

Outcomes

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
Strong order book ensuring business sustainability and future cash flow visibility Enhanced profitability and operational efficiency through cost optimisation initiatives	New plants commissioned and improved production processes Strengthened backward integration for quality and logistics with reduced dependence on external suppliers IIoT-enabled real-time monitoring improving operational oversight and process optimisation	In-house development for exercising control over proprietary technology Continuous innovation to stay ahead of industry trends Diversified product portfolio Seizing new opportunities through technological developments	Developing leadership and ensuring workplace safety Cultivating a high-performing and engaged workforce Attracting, retaining and empowering top talent Promoting a collaborative and inclusive work environment	Strengthening supplier partnerships for better collaboration Enhancing communication, transparency and trust Uplifting communities through skill development and engagement Driving customer loyalty with improved service and reliability	Minimising environmental impact through sustainable practices Proactively addressing climate change challenges Improving resource efficiency by curbing water and energy usage

Stakeholders impacted

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
Shareholders and Investors Employees	Customers Communities Government and Regulatory Bodies Business Partners	Employees Customers Communities	Employees	Shareholder and Investors Customers Communities Business Partners Government and Regulatory Bodies	Employees Communities Government and Regulatory Bodies

SDGs impacted

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
8, 12	8, 9, 12, 17	3, 9, 13, 17	3, 9, 13, 17	1, 3, 5, 8, 10	1, 3, 4, 5, 8, 10, 13, 15, 17

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

Financial Capital

Propelling Scalable Growth

Our financial capital enables sustainable value creation and strategic expansion. It supports business continuity, innovation, and disciplined growth. This year, we prioritised capital efficiency, governance, and risk management, strengthening our financial position and enhancing our agility in responding to evolving market conditions with long-term focus.

Key Focus Area

- Efficient capital allocation
- Maximising stakeholder value
- Business resilience and profitability
- Sustainable economic performance
- Strategic financial growth

Material Topics

- Economic Performance
- Business Resilience

SDGs covered

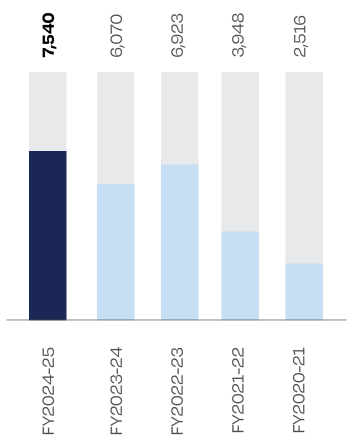
355%
Increase in revenue in past 10 years

620%
Increase in PAT in past 10 years

1,515%
Increase in Market Capitalisation in past 10 years

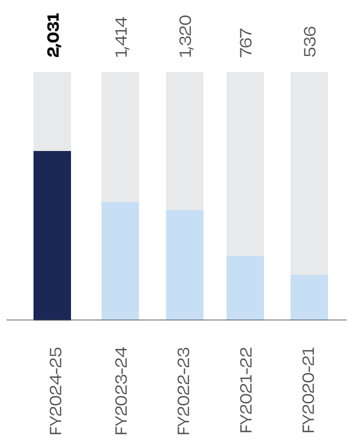
Net Sales (₹ in Crores)

7,540



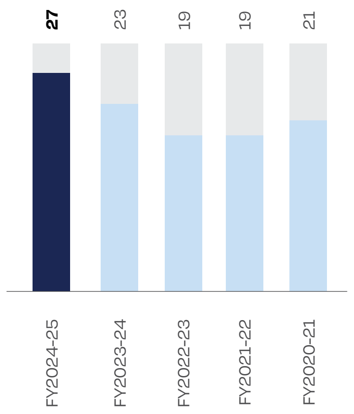
EBITDA (₹ in Crores)

2,031



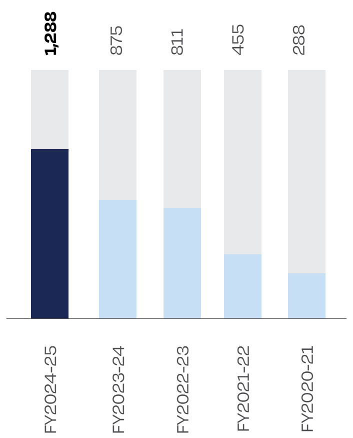
EBITDA Margin (In %)

27



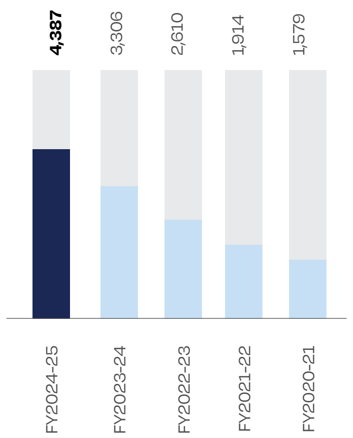
PAT (₹ in Crores)

1,288



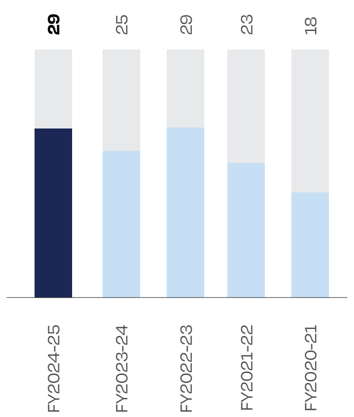
Net Worth (₹ in Crores)

4,387



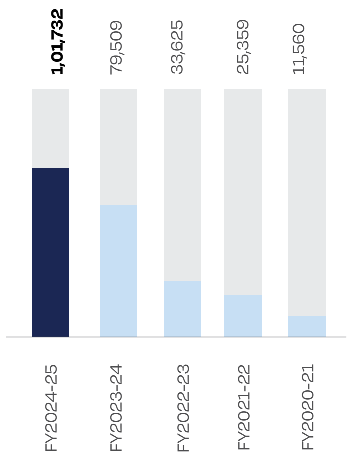
Return on Net Worth (In %)

29



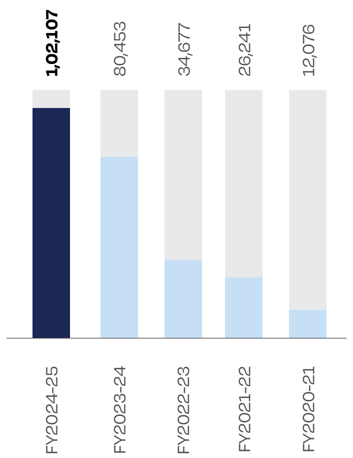
Market Cap (₹ in Crores)

1,01,732



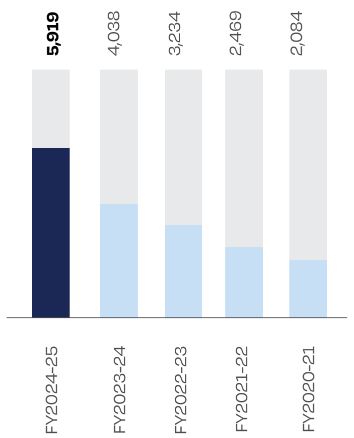
Enterprise Value (₹ in Crores)

1,02,107



Capital Employed (₹ in Crores)

5,919



Net sales (₹ in Crores)

6,070 → **7,540** 24%

EBITDA (₹ in Crores)

1,414 → **2,031** 44%

PBT (₹ in Crores)

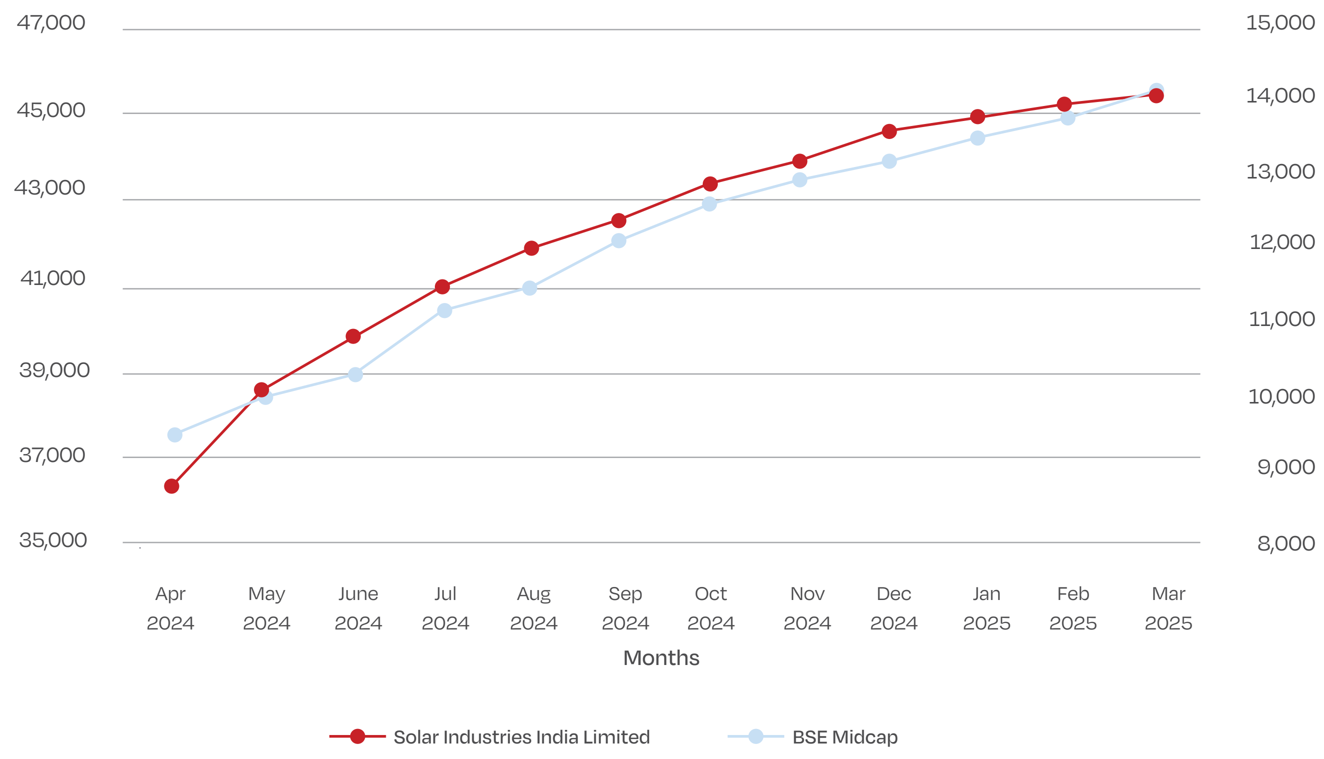
1,161 → **1,739** 50%

PAT (₹ in Crores)

875 → **1,288** 47%

FY 2023-2024 FY 2024-2025

Solar Industries India Limited vs BSE MidCap April 2024- March 2025



Manufactured Capital

Propelling Excellence

We have maintained a sharp focus on quality and reliability while developing next-generation explosives for mining and advanced ammunition for national security. In line with Atma Nirbhar Bharat, we continue to build a robust, future-ready product base that serves evolving domestic needs and strengthens our position in global defence supply chains.

Key Focus Area

- Product Innovation and Quality
- Resilient Supply Chain
- Safety-First Manufacturing
- Global Expansion and Acquisition

Material Topics

- Product Safety and Quality

SDGs covered

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

₹ 17,000+ Crores
Order book

6,00,000 MT
Explosives supplied

With an expansive network of strategically located facilities, we are equipped to manage high-volume, multi-year deliveries to the customers across the globe. This infrastructure-backed approach ensures we stay responsive to order dynamics while maintaining throughput efficiency, regulatory alignment, and delivery precision. As our order inflows continue to grow, our plants remain calibrated to support consistent output without compromising timelines or compliance standards.

Building a Resilient Supply Chain

An uninterrupted supply of raw materials forms the bedrock of seamless operations. We continuously monitor stock levels and maintain minimum thresholds to prevent any disruptions. We follow a proactive approach to m itigate risks associated with logistics and geopolitical uncertainties. For instance, we have secured multiple global suppliers for ammonium nitrate to ensure supply chain stability.

Bolstering Backward Integration

To contribute to the nation's ambitious journey towards self-reliance, we at Solar, prioritise quality control, cost optimisation and supply chain reliability through backward integration. By producing critical components such as emulsifiers, detonator shells, PETN (Pentaerythritol Tetranitrate), TNT (Trinitrotoluene) and RDX (Research Department Explosive) in-house, we reduce dependency on external suppliers and ensure resilience against market volatility.

Growing from Strength to Strength

We are taking strategic steps to strengthen our manufacturing capabilities across key regions. With the completed expansion of the RECL plant and the upcoming commissioning of new facilities in Western, Eastern and Southern India, we are poised to enhance our production capacity. Additionally, the establishment of a high-energy materials plant in Nagpur optimises resource allocation, ensuring uninterrupted supply for critical industries.

Technology-Driven Manufacturing

In an era driven by technological advancements, we harness the power of automation, Industrial Internet of Things (IIoT) and real-time data monitoring to improve efficiency. Advanced scheduling and tracking solutions improve inventory management, while robotic process automation (RPA) streamlines logistics operations. Further, machine learning-based analytics facilitate proactive decision-making, guaranteeing agility and resilience.

Quality Assurance and Compliance

Our manufacturing processes adhere to stringent quality management standards, ensuring product reliability and safety. With a certified Quality Management System (QMS), we hold Conformité Européenne (CE) accreditation for exported products. Through rigorous testing conducted by our NABL-accredited laboratory, we uphold our commitment to delivering products that make a difference.

Intellectual Capital

Propelling Innovation

We remain at the forefront with innovations tailored to evolving industrial and defence requirements. Our offerings include industrial explosives, Initiating systems and advanced ammunition and an expanding footprint in the space sector. This momentum is powered by deep technical expertise and our experienced workforce. Guided by a philosophy of continual improvement, we are committed to pushing operational and technological boundaries.

Key Focus Area

- R&D and Technological Advancements
- Strategic Collaborations
- Customer-Centric Innovation
- Digital Transformation in Manufacturing

Material Topics

- R&D
- Innovation
- Digitization

SDGs covered

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

₹ 25 Crores
R&D expenditure in last 5 years

220+
Projects by Digitisation and Automation Research Team in last 5 years

245+
R&D workforce

Our research and development wing fuels advancement, delivering next-generation solutions. Our focus on continuous innovation strengthens our manufacturing capabilities, improving product development and creating tangible long-term value for the stakeholders.

We make strategic investments in technology and collaborate with leading institutions to enhance performance, ensure efficiency and promote environmental responsibility.

Key Developments

Nagastra-1

India's first indigenous loitering munition with precision strike and autonomous navigation.

Nagastra-2

Next-gen loitering munition featuring AI-powered target recognition and extended range.

High-Energy Naval Explosives

Advanced underwater-stable formulations developed for Indian Navy applications.

Indigenized Warhead Technologies

High-impact, locally developed solutions for missiles and UAV payloads.

Low-Density Bulk Explosives

Enhanced efficiency in large-scale mining operations

Non-Detonating Explosives

Safer alternatives designed to minimise unintended initiation risks

Smart Initiation Systems

Digitally controlled detonators enhancing safety and precision across mining and defense.

Eco-Friendly Explosive Variants

Reduced-emission products supporting sustainable blasting operations.

Strategic Collaborations

We work closely with institutions such as DRDO (Defence Research and Development Organisation), CIMFR (Central Institute of Mining and Fuel Research) and CMPDIL (Central Mine Planning & Design Institute Limited) to fortify the brand value of Solar. These partnerships drive innovation and technological advancements in ammunition, rocket systems and UAV (Unmanned Aerial Vehicle) technologies, securing our legacy of trust and excellence for the future.

Customer-Centric Innovation

Customer feedback forms an integral part of the R&D strategy. Our robust feedback mechanism ensures our solution are tailored to specific industry needs. This customer-driven innovation has enhanced product effectiveness and customer satisfaction significantly.

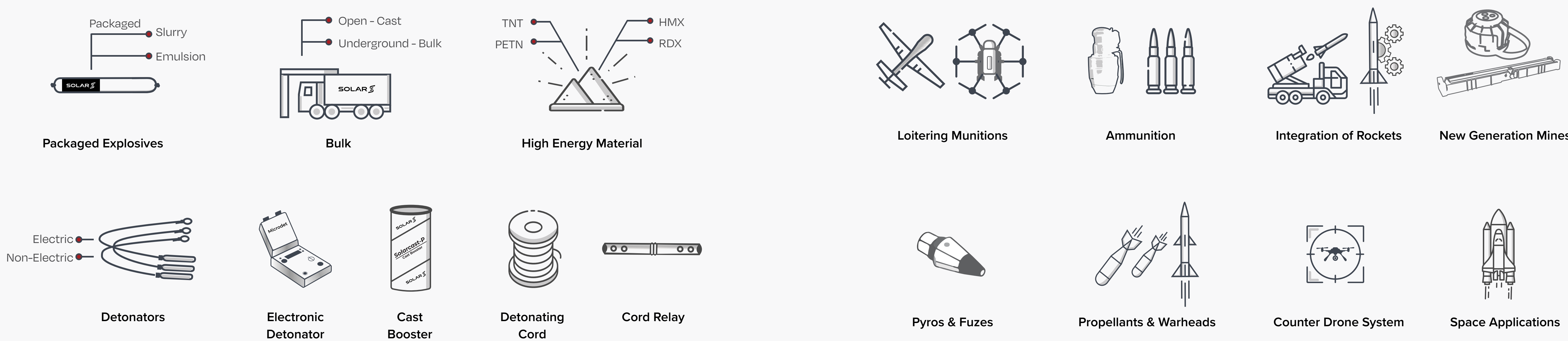
Aligning with Global Defence Trends

The rise of drones and UAVs has transformed modern warfare. To equip our armed forces, we have developed advanced solutions for loitering munitions that enhance our defence capabilities. Moving forward, we aim to focus upon scalable and versatile systems that address emerging security challenges.

Enhancing Operational Efficiency

We continued to enhance operational efficiency through the integration of state-of-the-art machinery, advanced IIoT solutions, and automated workflows. By embedding sustainable practices at every stage, we ensured smarter production with minimal environmental impact.

Product Portfolio



Social and Relationship Capital

Powering Partnerships, Building Trust

We build strong relationships with stakeholders through active engagement and shared purpose. This year, we focused on responsible sourcing, community development, and customer trust. These partnerships reinforce our reputation, support our social licence to operate, and help us align with expectations across institutions and communities.

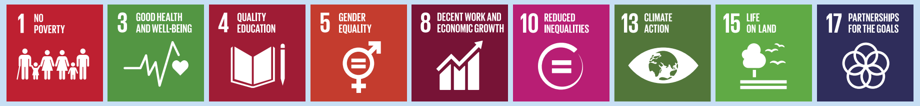
Key Focus Area

- Supporting Community Welfare
- Enhancing Customer Relationships
- Engaging Stakeholders with Transparency
- Driving Social and Environmental Impact

Material Topics

- Customer Satisfaction
- Community Relations

SDGs covered



₹ 78.32 Crores
CSR Expenditure in last 5 years

10,000+
Suppliers across value chain

₹ 37.16 Crores
CSR Expenditure in fiscal year

225+
Satisfied customers with 10+ year relationship

Building stronger communities

Empowering communities is about more than support, empowering communities is about creating an environment where people can shape their own future. Through meaningful engagement and long-term partnerships, we focus on driving sustainable progress that extends beyond immediate impact.

Our CSR initiatives aim to uplift communities by meeting their critical needs and elevating their quality of life.

Pillars of Intervention

Education

We believe that education and healthcare are key enablers of inclusive growth and long-term social impact. By upgrading infrastructure facilities in schools across underprivileged regions, we are helping create safe, functional, and inspiring learning environments. Through digital literacy centres, we are equipping students with essential skills to navigate and participate in an increasingly digital world.

Special focus has been placed on improving access to education in tribal and Naxalite-affected areas, where opportunities remain limited. By extending educational support in these regions, we aim to break systemic barriers and create pathways for upward mobility. Our objective is to provide students with the tools and resources they need to achieve their aspirations and drive progress in their communities.

Healthcare

Stronger healthcare systems lead to healthier communities. During the year, we undertook several initiatives to enhance medical infrastructure and improve healthcare access, particularly in underserved areas. This included the upgradation of hospital infrastructure and the procurement of essential medical equipment to support efficient diagnosis and treatment. We expanded outreach by promoting access to healthcare facilities in remote and tribal regions, where we also provided ambulance services for underprivileged populations to ensure timely medical support. Additionally, we established dedicated ophthalmology and dentistry departments to address specialised care needs. Preventive health remained a key focus through the organisation of regular health check-up camps, enabling early detection and access to care.

Environment

Sustainability is more than a responsibility, it is an opportunity to create lasting impact. We collaborate with communities, schools, and organisations to drive awareness, equip individuals with sustainable solutions, and inspire responsible environmental stewardship.

Our initiatives this year included the rejuvenation of local lakes, aimed at restoring natural water levels and improving access to clean water for surrounding communities. We also ran an extensive campaign against single-use plastic, encouraging behavioural change through education, collection drives, and the promotion of eco-friendly alternatives. In parallel, we launched a plantation drive to support local biodiversity, improve green cover, and enhance climate resilience in urban and semi-urban areas.

Promotion of Indian Culture

Foundation Stone Laying Ceremoney of Nandlal Nuwal Centre of Indology

Nandlal Nuwal Centre of Indology

The Nandlal Nuwal Centre of Indology is a centre aimed at revitalizing Indian knowledge, traditions- through education, research and public programmes- backed by a vision of culture confidence and intellectual decolonization. The foundation stone laying ceremoney of Nandlal Nuwal Centre of Indology was done by Honourable Vice President Jagdeep Dhankhar on January 20, 2025. This institution is envisioned as a platform to revive and promote India's ancient knowledge systems, classical languages, and cultural heritage through academic inquiry and public engagement.

The centre's core objectives include conducting systematic research across key branches of Indology, publishing critical editions of classical Indian texts, and offering specialised training in traditional Indian disciplines. It seeks to educate students in subjects such as Sanskrit, Ayurveda, Jyotisha, and comparative philosophy. A key feature of the initiative is the development of a well-equipped library to preserve manuscripts, historical documents, and rare antiquities for scholarly access.

Through this initiative, we aim to contribute meaningfully to India's cultural and educational infrastructure, enabling future generations to connect with the country's rich civilisational legacy.

Human Capital

Empowering People, Propelling Performance

Our people drive performance, innovation, and long-term progress. Their skills, passion, and accountability shape our ability to deliver at scale. We invest in leadership, development, and a culture of ownership that enables teams to grow, adapt, and thrive in a competitive, fast-moving environment.

Key Focus Area

- Talent Acquisition and Retention Strategy
- Skill Development and Career Growth
- Inclusive and Engaging Culture
- Health, Safety and Well-being
- Data-driven HR Strategies

Material Topics

- Occupational health and safety
- Employee learning and development
- Human Rights
- Diversity and Inclusion

SDGs covered

3 Good Health and Well-being
5 Gender Equality
8 Decent Work and Economic Growth
10 Reduced Inequalities
17 Partnerships for the Goals

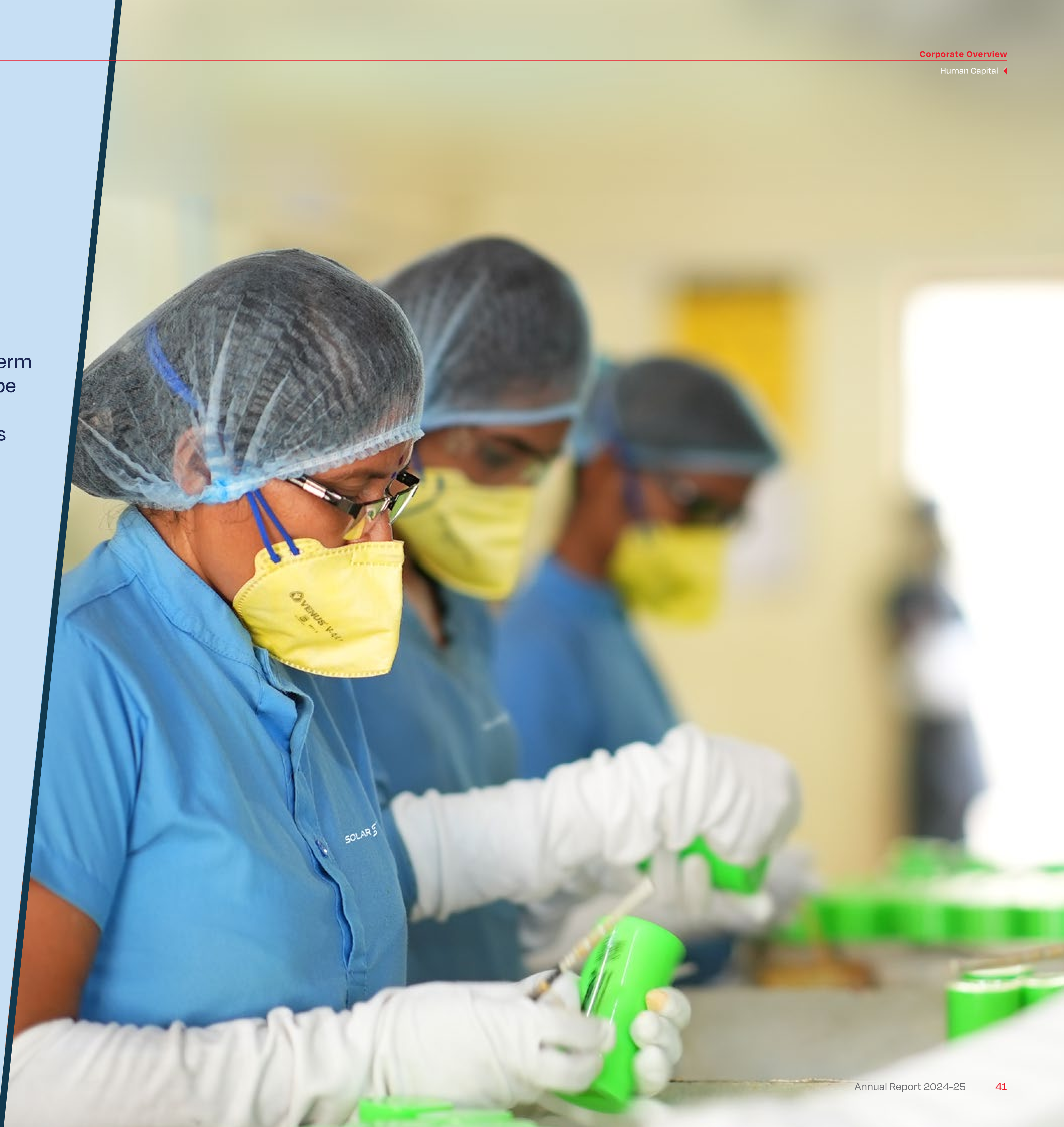
1,41,117
Total training hours

1,08,736
Man hours of safety training

1,092
Training and development sessions conducted

2,02,12,352
Hours of injury free work

Zero
instances of Sexual Harassment



Attracting, Developing and Retaining Talent

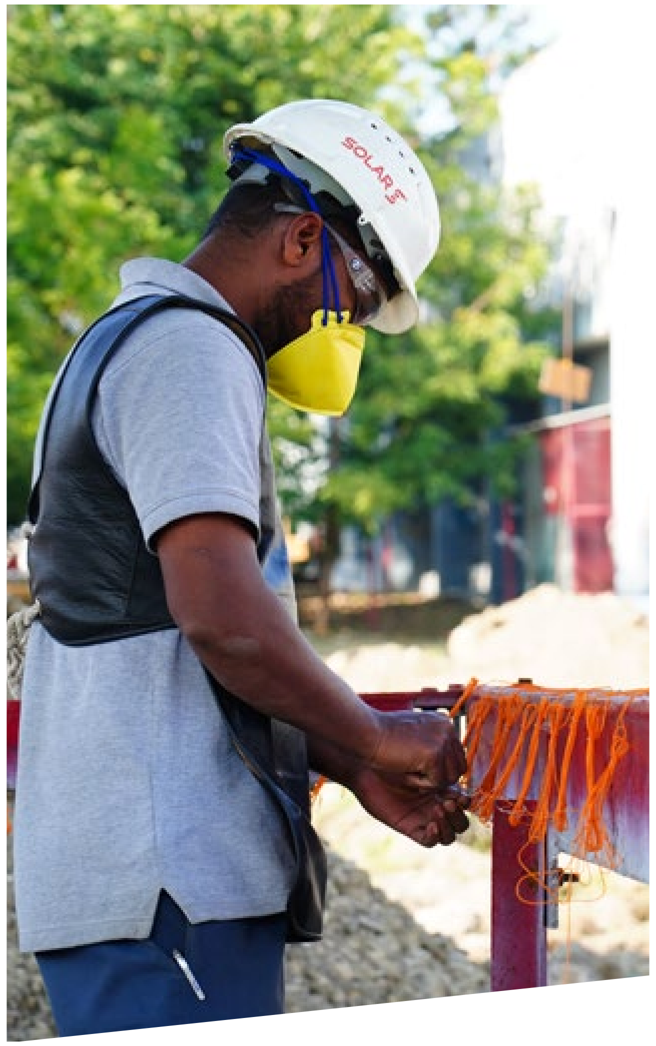
We believe in creating a workplace where people feel valued, supported and inspired to grow. We focus on attracting and retaining top talent by being strategic about recruitment, offering competitive pay and creating opportunities for career development. Our onboarding programmes help new joiners feel welcome through Feedback mechanism and seeking technical induction feedback on completion of 30-60-90 days of their period, for helping them settle in smoothly. Our mentorship initiatives support professional growth and help employees sharpen their skills through effective design of technical and behaviour competency framework. We leverage data-driven insights to refine our strategies and ensuring employees feel satisfied and valued in their roles.

We enhance our recruitment efforts by conducting targeted talent mapping and collaborating with educational institutions to reach out to talented individuals. To retain our employees, we focus on creating clear career progression plans, promoting internal mobility and offering comprehensive benefits that cater to their evolving needs. Through engagement-focused initiatives, we foster an environment where employees feel supported and cared for in aspects of holistic individual wellbeing and can grow with us.

Investing in Our People

At Solar, we believe in nurturing a culture of continuous improvement and learning. Through this, we ensure our team stays ahead in an ever-changing industry. We offer a variety of learning opportunities that sharpen technical and functional expertise as well as build the essential interpersonal skills for effective teamwork. We empower every team member to grow professionally and personally.

- Leadership development courses – Helping employees build the skills they need to lead with confidence and drive organisational success
- Skill enhancement workshops– Nurturing technical expertise to tackle emerging challenges and embrace new opportunities
- Cross-functional learning experiences – Bringing teams together to share insights and build skills than enhance teamwork and drive innovative ideas
- E-learning platforms for continuous learning – Providing accessible and flexible opportunities for individuals to grow and learn at their own pace
- Personalised career progression plans – Structured roadmaps for professional growth, aligned with individual aspirations and organisational goals
- Knowledge-sharing forums – Creating spaces for teams to exchange ideas, insights and expertise for collective growth
- Innovation and problem-solving workshops – Encouraging creative thinking and collaborative approaches to address challenges and drive progress.



Building Stronger Connections

We encourage an inclusive and collaborative culture through thoughtfully designed engagement programmes and well-being initiatives focusing on their mental, physical and emotional wellbeing of our employees. These efforts foster stronger connections, promote transparency and nurture a genuine sense of belonging among our employees.

- Employee recognition and reward schemes – Celebrating achievements and valuing contributions to inspire consistent efforts
- Holistic well-being initiatives – Offering counselling services, mindfulness sessions and resilience-building workshops
- Team-building and social events – Creating opportunities for teams to connect, share and strengthen workplace relationships in a fun and engaging atmosphere
- Diversity and inclusion initiatives – Implementing mentorship programmes, awareness campaigns and affinity groups to create a workplace where unique perspectives are celebrated
- CSR and volunteer programmes – Encouraging employees to contribute their time and efforts toward community initiatives, reinforcing a culture of care and social responsibility.

Creating a Safe and Healthy Workplace

We are committed to creating a safe and healthy workplace where employees can thrive. Through regular health check-ups, ergonomics assessments and easy access to medical consultations, we ensure everyone feels supported. Our wellness programmes, which focus on stress management, mindfulness and physical fitness, empower our teams to lead balanced and fulfilling lives.

We deeply value the safety and well-being of our workforce. Through thoughtful training sessions, practical safety measures and an emphasis on awareness, we create an environment where employees feel cared for.

Growing Together

At Solar, we believe that diversity is the foundation of innovation and growth. We value the unique backgrounds, experiences and perspectives of our people. Our HR policies promote equality, transparency and inclusion, ensuring equal opportunities for professional growth and competitive remuneration. We adhere to POSH guidelines, train HR teams to minimise hiring biases and prioritise hiring locally to strengthen community ties.

Embracing Change through Smart HR Strategies

We are evolving our HR strategy to meet the needs of a rapidly changing world. Through AI-driven tools, we make recruitment more intuitive, helping us connect with talented individuals who fit not just the job position but our vision. We also encourage our employees to take on new roles, learn new skills and shape their own career paths. We also focus on preparing the next generation of Leaders paving their ways through career development and progression opportunities within the organisation, creating the bench strength and promoting young talent who will take the organisation in the next level with full throttle, confidence and vision.

Natural Capital

Propelling Environmental Stewardship

We are scaling responsibly while reducing our environmental impact. Our approach prioritises energy efficiency, emissions control, and sustainable resource use. We continue to invest in green practices and cleaner processes, working to ensure industrial growth is balanced with long-term ecological responsibility.

Key Focus Area

- Energy efficiency and emission reduction
- Water conservation and management
- Sustainable waste management
- Biodiversity protection
- Data-driven HR Strategies

Material Topics

- Climate Change, Energy, and Emissions
- Environmental Risk and Compliance
- Water Conservation and Management
- Waste and Hazardous Materials Management
- Supply Chain Management and Materials Sourcing
- Biodiversity

SDGs covered

6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 12 Responsible Consumption and Production, 13 Climate Action, 15 Life on Land, 17 Partnerships for the Goals

Zero
Environmental incidents

82%
Waste responsibly managed through re-cycle, re-use and compliant disposal

To read more about enviroment and climet change efforts refer page no **52** of the report.

Our products, processes and policies uphold our proactive approach to sustainability. We focus on minimising greenhouse gas emissions, enhancing energy efficiency, conserving water and promoting waste management.

Our Initiatives

- Reducing energy loss and carbon footprint through innovation and process re-engineering
- Minimising electrical consumption in manufacturing processes
- Switching to energy-efficient LED Lights
- Transitioning to EVs

Energy and Emissions Management

We acknowledge the implications of climate change, therefore, we continuously innovate to reduce our environmental footprint. Our approach involves increasing energy efficiency, expanding renewable energy use and collaborating with suppliers and partners to implement sustainable solutions.

- **Energy Efficiency Measures** - Replacement of electric chillers with Vapour Absorption Chillers (VAM) to reduce energy consumption
- **Automation** - Implementation of automated systems in raw water, process water and effluent flow lines to optimise usage and minimise wastage
- **High-Efficiency Pumps** - Installation of energy-efficient borewell and centrifugal pumps to further enhance energy conservation
- **Emission Reduction** - Retrofitting Emission Control Devices (RECD) in diesel generators to cut Diesel Particulate Matter (DPM) emissions by 70%
- **Boiler Transition** - Installation of a 20TPH multi-fuel boiler using agro-based biodegradable briquettes to reduce fossil fuel dependence

Water Management

Our water management practices include reducing reliance on public and municipal water sources, undertaking lake cleaning projects near manufacturing sites and conducting awareness campaigns to educate communities on responsible waste disposal methods. This approach has enabled us to manage our water footprint and enhance our water conservation efforts significantly.

Zero
Liquid Discharged (ZLD) compliant

Decarbonisation

We are working towards establishing a low-carbon future. Our Life Cycle Assessments enable us to develop eco-friendly products that comply with stringent environmental standards. By following a structured decarbonisation roadmap, we have been able to cut emissions across procurement, production and final product delivery. We also collaborate with our stakeholders to further explore and implement carbon-reduction technologies.

Waste Management

Our initiatives to optimise waste management include deploying waste compactors for volume reduction, upgrading effluent collection to prevent clogging and mitigate rainwater overload and recycling waste through reusable material identification. Notably, our employee awareness campaigns have delivered effective results.

Employee Volunteering

Our employees are crucial to fulfilling our sustainability objectives. They identify opportunities for process improvements and enhance operational efficiency by increasing renewable energy consumption.

Environmental Data Management

We recognise the importance of accurate data in tracking and minimising our environmental impact. The key step include implementing advanced data tracking and analysis systems to measure energy consumption, emissions, water usage and waste generation. We also conduct capacity-building sessions to enhance personnel engagement and data accuracy, aligning data-driven strategies with the UN Sustainable Development Goals.

Biodiversity Preservation

Our biodiversity initiatives reflect our deep commitment to building a greener tomorrow. We conduct environmental assessments before site activation to identify potential biodiversity risks and implement appropriate mitigation measures to ensure regulatory adherence with all applicable environmental laws. We take swift actions against any potential environmental concerns.

RISK MANAGEMENT

Adeptly Managing Risks

We have in place a comprehensive risk management framework that governs all aspects of our operations. This framework also informs our risk mitigating approach, allowing us to effectively address risks, minimise disruptions, capitalise on emerging opportunities and enable long-term value creation.

Navigating financial, operational, reputational and market risks through this structured framework helps us ensure stability and adaptability in a dynamic business environment.

How we approach risks

Transparency and Accountability
Recognising risks that could lead to major issues.

Understanding Causes and Prevention
Examining possible situations that may cause problems and identifying key mitigation measures to prevent them.

Task-Specific Risk Check
Assessing risks in daily tasks and taking necessary mitigation steps

Ongoing Monitoring
Regularly checking if mitigation measures are working and fixing any issues

Financial Risk

R1 Material Availability and Inflation Risk

Capitals Impacted: Financial

Priority: Medium

Description of the Risk and Implications for Value Creation

Volatility in global markets and supply chain disruptions may lead to increased costs and potential production challenges, impacting profitability and operational efficiency.

Actions taken to address the risk

- Conducting ongoing industry analysis to anticipate price trends and supply chain risks
- Strengthening supplier relationships to enhance procurement stability
- Implementing price escalation clauses and quarterly price tracking for cost control

Opportunities arising from the risk

- Optimising supply chain efficiencies to reduce dependence on volatile markets
- Advancing material innovation and exploring alternative sourcing strategies for cost-effectiveness

R2 Liquidity Risk

Capitals Impacted: Financial

Priority: Low

Description of the Risk and Implications for Value Creation

Unexpected expenses, payment delays, market fluctuations and procurement delays can affect cash flow, affecting the Company's ability to meet short-term financial obligations and sustain operations.

Actions taken to address the risk

- Augmenting treasury management with real-time cash flow monitoring
- Implementing cost optimisation measures to improve liquidity

Opportunities arising from the risk

- Exploring alternative financing mechanisms
- Securing competitive borrowing rates through financial partnerships

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

R3 Interest Rate Risk

Capitals Impacted: Financial

Priority: Low

Description of the Risk and Implications for Value Creation

Fluctuations in domestic and global interest rates increase borrowing costs can affect the Company's profitability and financial planning.

Actions taken to address the risk

- Deploying interest rate hedging strategies
- Optimising debt management and maintaining cash reserves

Opportunities arising from the risk

- Enhancing asset-liability management for better financial stability
- Executing innovative cashflow strategies

R4 Foreign Exchange (FX) Risk

Capitals Impacted: Financial

Priority: Medium

Description of the Risk and Implications for Value Creation

Currency volatility may affect the cost of imported raw materials, thereby impacting the Company's export competitiveness.

Actions taken to address the risk

- Implementing regulated hedging mechanisms to minimise fluctuations
- Diversifying revenue streams to reduce dependence on a single currency

Opportunities arising from the risk

- Foraying into diverse markets to mitigate forex exposure
- Strengthening financial planning through effective currency risk management

Strategic and Commercial Risks

R5 Macroeconomic Risk

Capitals Impacted: Financial, Intellectual

Priority: Medium

Description of the Risk and Implications for Value Creation

Cyclical demand fluctuations in mining, construction and infrastructure sectors impact operational stability and revenue generation.

Actions taken to address the risk

- Expanding product portfolio to mitigate sectoral downturns
- Strengthening supply chain and market reach for bolstering resilience

Opportunities arising from the risk

- Entering markets which are less volatile to ensure steady revenue
- Making our business model more flexible to adapt to changing conditions

R6 Customer Experience and Retention Risk

Capitals Impacted: Financial, Social and Relationship

Priority: Medium

Description of the Risk and Implications for Value Creation

Economic fluctuations, including changes in commodity prices impact customer demand, affecting customer retention and long-term relationships.

Actions taken to address the risk

- Enhancing brand value through superior customer engagement
- Leveraging data analytics for demand forecasting and customisation

Opportunities arising from the risk

- Expanding into new markets with tailored offerings
- Developing innovative products aligned with evolving customer needs

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

R7 Reputational Risk

Capitals Impacted: Financial, Social and Relationship

Priority: High

Description of the Risk and Implications for Value Creation

Reputational setbacks can arise from operational disruptions, regulatory non-compliance, or geopolitical sensitivities.

Actions taken to address the risk

- Strengthening quality assurance and operational risk protocols across all production and logistics units
- Transparent communication and proactive stakeholder engagement

Opportunities arising from the risk

- Building trust among stakeholders and fortifying our market position
- Leveraging excellence in compliance as a competitive advantage

Operational Risks

R8 Supply Chain Resilience Risk

Capitals Impacted: Manufactured, Social and Relationship

Priority: Medium

Description of the Risk and Implications for Value Creation

Material shortages, transportation delays and regulatory challenges can disrupt operations and postpone project execution.

Actions taken to address the risk

- Strengthening supplier partnerships and diversifying sourcing
- Investing in technology-driven logistics and supply chain efficiency

Opportunities arising from the risk

- Enhancing supply chain resilience through digital integration
- Exploring sustainable sourcing strategies for long-term stability

R9 Obsolescence Risk

Capitals Impacted: Manufactured, Social and Relationship

Priority: Medium

Description of the Risk and Implications for Value Creation

Rapid technological advancements can render existing systems obsolete, impacting efficiency and competitiveness.

Actions taken to address the risk

- Continuous investment in R&D and innovation
- Adopting emerging technologies to enhance productivity

Opportunities arising from the risk

- Improving operational efficiency through automation and digitalisation
- Strengthening competitive positioning with next-gen technologies

R10 Cybersecurity Risk

Capitals Impacted: Intellectual

Priority: Medium

Description of the Risk and Implications for Value Creation

Cyber threats, including data breaches and unauthorised access, can compromise critical infrastructure and intellectual property

Actions taken to address the risk

- Bolstering cybersecurity protocols with advanced threat detection
- Conducting regular security audits and system updates

Opportunities arising from the risk

- Developing in-house cybersecurity expertise to mitigate risks
- Investing in AI-driven security solutions for proactive defence

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

R11 People Risk

Capitals Impacted: Manufactured

Priority: Medium

Description of the Risk and Implications for Value Creation

The lack of qualified personnel in the explosives industry can impact efficiency and productivity, leading to delays, increased costs and operational disruptions.

Actions taken to address the risk

- Implementing talent development and upskilling programmes
- Enhancing employee engagement and retention strategies

Opportunities arising from the risk

- Developing internal talent for future leadership roles
- Leveraging automation to optimise workforce productivity
- Structured Career Progression Plans to support employee growth
- Post Graduate Trainee (PGT) and Graduate Engineer Trainee (GET) programmes launched to build future leadership pipeline

ESG Risks

R12 Safety, Health and Environment (SHE) Risk

Capitals Impacted: Human, Natural

Priority: High

Description of the Risk and Implications for Value Creation

Operational complexities and potential safety lapses can impact employee well-being, regulatory compliance and environmental sustainability.

Actions taken to address the risk

- Implementing a stringent Safety, Health and Environment (SHE) framework
- Investing in training, risk recognition and safety technology

Opportunities arising from the risk

- Establishing industry-leading safety benchmarks
- Developing advanced safety technologies for enhanced workplace protection

R13 Regulatory Compliance Risk

Capitals Impacted: Social and Relationship

Priority: High

Description of the Risk and Implications for Value Creation

Stricter regulations and governance requirements increase compliance burdens, leading to legal and financial risks.

Actions taken to address the risk

- Ensuring good corporate governance and undertaking compliance training
- Conducting periodic independent audits to ensure adherence

Opportunities arising from the risk

- Positioning compliance as a differentiator for business credibility
- Integrating ethical best practices into organisational culture

R14 Carbon-Intensive Material Risk

Capitals Impacted: Manufactured, Natural, Social and Relationship

Priority: Medium

Description of the Risk and Implications for Value Creation

The global transition to a low-carbon economy and evolving regulations may impact operational sustainability, cost structures and competitiveness.

Actions taken to address the risk

- Implementing emission reduction and resource efficiency initiatives
- Enhancing transparency in sustainability reporting

Opportunities arising from the risk

- Innovating low-carbon technologies to align with market trends
- Expanding renewable energy adoption to reduce operational footprint

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural


E
ENVIRONMENT
S
SOCIAL
G
GOVERNANCE

Pathway to Sustainable Excellence

We are pleased to present an overview of our efforts in the Environment, Social, and Governance (ESG) domains as we endeavor to become a global leader in manufacturing industrial and military explosives. As the standards for sustainability and ethical practices improve, we are intensifying our commitment to safety, quality, and reliability to create a positive environmental impact and support community well-being.

Our ESG Snapshot Report encapsulates our ongoing initiatives, spotlighting our strategies to address ESG challenges while safeguarding the ethical integrity of our Company.

The ESG Focus

Our Vision

Solar Group 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, employees, communities, and key stakeholders.

Cornerstones of our ESG Strategy is complentary to the 4 Strategic Pillars

- Climate Resilience
- Water Management
- Waste Management
- Biodiversity

- Value Chain Sustainability
- Community Development
- Stakeholder Relationship Management

- Human Capital Development
- Human Rights
- Diversity and Inclusion

- Product Safety and Ethics
- Employee Health and Safety

The four strategic pillars of our ESG strategy guides 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

Mitigating climate-related risks by reducing emissions, enhancing energy efficiency, and harnessing renewable energy sources.

Reinforcing Safety and Well-Being

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.

Enhancing Employee Growth

Focusing on expanding our workforce by promoting employee engagement, safeguarding human rights, and fostering a culture of diversity and inclusion.

Sustaining Long Term Relationship

Partnering with our value chain partners, local communities, and other essential stakeholders to promote inclusivity and sustainability

Materiality Assessment

Materiality Assessment forms the basis of our sustainability strategy helping us prioritize areas impacting our business and affecting our stakeholders.

At Solar Group in FY 2024-25, a comprehensive materiality assessment was conducted by integrating stakeholder feedback and industry insights to effectively identify and prioritize key sustainability issues. Our process involved engaging with diverse stakeholders, analyzing current and emerging trends, and aligning our evaluation with industry standards, ensuring that our strategic initiatives address the most relevant and impactful areas for our business and communities.

	Environment	Social	Governance
Material Topics	Climate Change, Energy, and Emissions Environmental Risk and Compliance Water Conservation and Management Waste and Hazardous Materials Management Supply Chain Management and Materials Sourcing Biodiversity	Occupational Health and Safety and Employee health & safety Skill development Human Rights Diversity, Equity and Inclusion (DEI) Human Resource Engagement and Development Community Relations	Cybersecurity Product Safety and Security Business Resilience Ethical Business Conduct and Regulatory Compliance R&D and Innovation Customer Satisfaction Economic Performance Critical Incident Risk Management
Impacted Capital			

Capitals Financial Manufactured Intellectual Human Social and Relationship Natural

Environment Stewardship

Guided by the principle of "One Planet, One Family", we acknowledge the intrinsic connection between the planet's health and the welfare of its inhabitants, both now and for generations to come.

Even as our ambitions expand to meet emerging national and global priorities, sustainability continues to shape the foundation of our operations and impact.

We continuously strive to align closely with the Sustainable Development Goals (SDGs), ensuring that our pursuits contribute meaningfully to global sustainability objectives.

Key Highlights

20%
Renewable energy share (GJ) in total energy mix

5.12 MW
Installed Solar Plant capacity

Our Sites are
Zero Liquid Discharge
compliant

82%
of waste responsibly managed through Re-use, Recycling and Compliant disposal

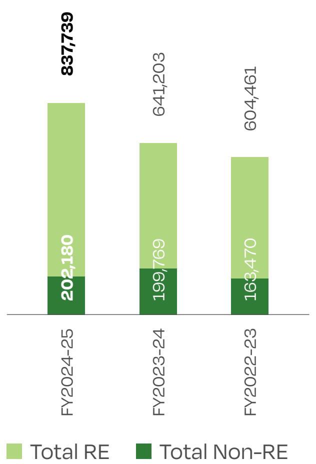
SDG Linkage

Key manufacturing sites are certified

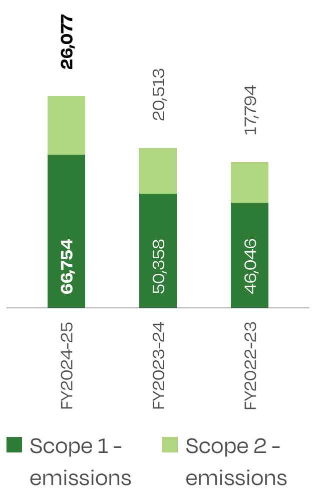
Climate Change, Energy and Emissions

Sustainability is central to our operations, guiding our efforts to address climate change and deliver enduring value to stakeholders. We pro-actively focus on initiatives to reduce greenhouse gas emissions, while diversifying and maximizing our energy mix to include renewables alongside diesel, coal and electricity. Our comprehensive sustainability strategy permeates every aspect of our business, from responsible sourcing and advanced manufacturing to innovative product lifecycle management.

Total Energy Consumption (GJ)



Carbon Emissions (tCO_2e)



Note - The total energy consumption and carbon emissions have increased due to a rise in overall production capacity compared to FY 2023-24, along with a shift in product mix that required relatively higher energy inputs.

Air Emissions

At Solar Group, we are committed to reducing air emissions from our plant operations through comprehensive strategies and regulatory compliance. We periodically conduct third-party audits and have implemented an Online Continuous Emission Monitoring Systems (OCEMS) to ensure the flue gases emitted consistently remain within stipulated limits. We further conduct external third party assessments to validate our emissions control efforts.

Climate Strategy and Decarbonization

As a conscientious corporate organization, we have a thorough climate strategy focused on decarbonization. We diligently monitor pertinent metrics to consistently advance our sustainability objectives. Our primary target areas for achieving these goals include:

Emissions Reduction Measures

Across our value chain, we reduce emissions by refining transportation logistics, improving combustion efficiency and investigating the use of alternative materials.

Energy Efficiency Enhancements

Investing in cutting-edge technologies and adopting industry-leading practices, we reduce energy usage and lower the greenhouse gas emissions.

Emissions Reduction Measures

Incorporation of renewable energy sources into our operations ensures integration of cleaner energy alternatives, reducing our carbon footprint, and enhances eco-friendly fuels.

Our Key Environmental Initiatives

Reduction in Energy Consumption

- To optimize power usage, we installed Variable Frequency Drive (VFD) compressors.
- Replacing Electrical chillers with Vapor Absorption Machine (VAM) based chillers to optimize energy consumption.
- The installation of a voltage stabilizers indirectly resulted in monthly savings of 20,000 kWh.

Efficiency Enhancement in De-Nitration Columns

Replaced steam ejectors with Liquid Ring Vacuum Pumps (LRVP) to reduce effluent load and energy usage. This transition decreased the effluent load on the MEEP (Multi-Effect Evaporator) plant, effectively eliminating 400 LPH of effluent generation.

Sustainable Refrigerant Transition Program

Transitioning our chiller systems from R22 to eco-friendly refrigerants such as R134A and R404A. Majority of chillers across our plants already converted the responsible phase-out of R22 is nearing completion.

Replacement of Centrifugal Pumps and Motors

Energy-efficient centrifugal pumps and motors are being progressively upgraded at strategic locations through the year, delivering significant energy savings and operational efficiency.

Other Initiatives

Transition to Solar-Powered Outdoor Lights

We have replaced conventional sodium outdoor lamps with solar lighting solutions, significantly reducing energy use and CO_2 emissions.

Electric/Hybrid Vehicle Transition

We are transitioning our support function vehicles to electric and hybrid models to further reduce emissions and drive sustainable mobility.

Water Stewardship

Recognizing the vital importance of water for ecosystems and communities, we are committed to responsible water management throughout our operations. We leverage cutting-edge technologies to substantially lower our water usage. Our advanced wastewater treatment facilities enable us to efficiently treat and recycle water, optimizing resource utilization throughout our operations.

Water Consumption

We achieve complete water self-sufficiency through a well-rounded management strategy to ensure a reliable year-round water supply, for operational needs and plantation activities through:

1. Optimised utilisation of groundwater and surface water.
2. Development of benches, trenches, open reservoirs, and check dams across our expansive plant premises.

Championing Water Conservation

One of our key water-saving initiatives involves repurposing cooling tower drain water for reuse in tower operations significantly enhancing overall water efficiency at the plant.

Annual Freshwater Savings

36 kL

Water Circularity

Our dedication to quality management includes strict adherence to standards for water discharge, ensuring compliance with environmental regulations.

Our advanced water systems are designed to meet rigorous quality standards, ensuring that **treated effluent** is suitable for **reuse or recycling**. This has ensured water circularity and we have attained **Zero Liquid Discharge (ZLD)** status at our primary manufacturing sites through a combination of **Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs), and Multi-effect Evaporators (MEEs),** for efficient wastewater management.

Remarkably, **over the past six fiscal years, we have avoided any water-related incidents such as plant closures or operational disruptions.** This accomplishment guarantees uninterrupted operations and prevents potential revenue losses or increased costs stemming from water scarcity.

Enhancing Water Efficiency

Evaporative coolers were equipped with honeycomb pads to significantly reduce water consumption while improving cooling efficiency.

Annual Freshwater Savings

126 kL

Waste Conservation and Management

We are dedicated to responsible waste management, rigorously overseeing waste across our operations while conforming to strict environmental standards. Our protocols are seamlessly integrated with the principles of Reduce, Reuse, and Recycle (the 3Rs). These efforts foster a more circular and sustainable operational system that complies with Pollution Control Board regulations and guidelines.

Hazardous Waste Management

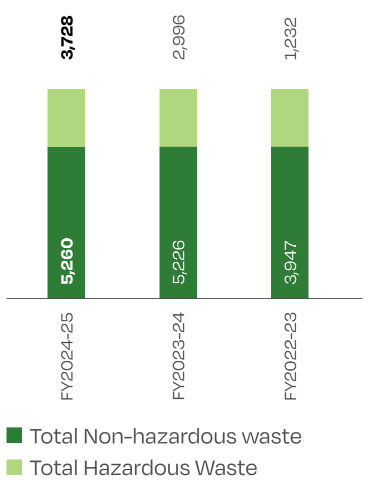
We have developed a comprehensive Hazardous Waste Handling Procedure to ensure the effective management of hazardous waste. This waste is meticulously managed, stored, and disposed of in accordance with regulatory guidelines, utilizing authorized handling and disposal agencies

Non-Hazardous Waste Management

Our facilities include dedicated areas for both process and non-process scrap, with strategically placed segregated waste bins throughout the plant to ensure efficient waste separation and management. We collaborate with authorized vendors to ensure the proper disposal of specified non-hazardous waste, thereby reducing our environmental impact.

Circularity Measures	Authorized Disposal	Data Management
We focus on circularity measures to prevent waste generation and resource depletion. This approach prevents waste accumulation.	Being in a highly regulated industry, all waste, including hazardous waste, e-waste, and battery waste, is managed in line with strict regulatory requirements. We ensure that waste is disposed of by authorized recyclers by ensuring safe storage, handling and disposal practices.	We employ robust processes to collect and monitor waste-related data. All data is maintained in SAP, ensuring accurate tracking and compliance. Regular audits are conducted to ensure continuous improvement and adherence to environmental regulations.

Waste Generation (MT)



Plastic Recycling Initiative

Mono and Diammonium Phosphate (MAP and DAP) plastic bags, previously used once and incinerated, posed environmental and cost challenges. To tackle this, we introduced a reuse strategy that led to a reduction of 55 kg in plastic waste generation.

Environmental Risk and Compliance

The Company ensures alignment with applicable environmental regulations, including those related to emissions, waste and water management, and resource efficiency. Solar Group integrates environmental responsibility into its core processes, reinforcing its commitment to sustainable manufacturing while adhering to regulatory compliances.

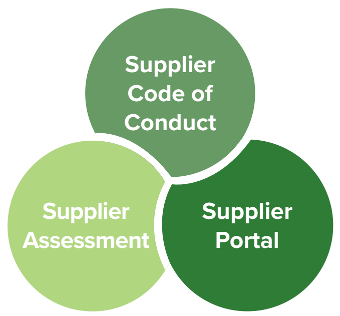
The oversight of risk management within our organization is a key responsibility, entrusted to our Board and its designated Risk Management Committee. This responsibility is facilitated through comprehensive management reporting processes, including an annual risk assessment.

Biodiversity

At Solar Group, our major manufacturing sites are situated in areas rich in biodiversity with approval from the Ministry of Environment, Forest, and Climate Change (MoEFCC). To preserve the authentic biodiversity of the region we focus on conservation initiatives like habitat restoration, reforestation, and wildlife protection to rejuvenate ecosystems and safeguard species diversity. We adhere to the Wildlife Protection Act of 1972 and conduct our activities only in regions devoid of endangered flora and fauna.

Supply Chain Management and Material Sourcing

We have established procedures for responsible sourcing, guided by our Supplier Code of Conduct and a Supplier Assessment which is accessible through an internal Supplier Portal. This aims to foster sustainability and responsible practices among vendors, extending beyond manufacturing sites. Sustainable sourcing performance is a key factor in selecting major suppliers. We actively engage with suppliers through regular meetings to build trust and promote responsible business conduct.



Social Responsibility

Our people are at the heart of Solar Group's journey. We are deeply committed to ensuring their safety, nurturing their potential, and fostering a culture where every individual feels included and engaged.

We continue to strengthen employee engagement through purposeful initiatives that build unity and belonging. This focus on people and purpose informs not only how we work, but also how we contribute meaningfully to the communities around us.

Key Highlights

100%
Workforce received full coverage on Health & Accident Insurance

100%
Female employees returned from Maternity leave

141,117
Total Training Hours Completed

Key manufacturing sites are certified

SDG Linkage

Occupational Health and Safety

Safety is paramount to us. Our commitment to safety extends beyond physical well-being to include psychological and emotional safety.

At Solar Group, the pursuit of 'Zero Harm' is not just a goal; it is a deeply embedded principle across our operations. With zero incidents and fatalities reported this year, we reaffirm our unwavering commitment to creating a safe, healthy, and resilient work environment. Operating in the high-risk sector, safety remains a non-negotiable core of our ethos. Our Safety, Health, and Environment Committee steers safety governance while our EHS Policy reinforces proactive risk management and fosters a culture of vigilance and accountability across all levels.

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
- Cross functional Safety Audits

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.

Ensuring Safety at Solar Group

We have a comprehensive methodology for hazard identification, utilizing various tools to develop tailored strategies and mitigation plans. These efforts are followed by verification processes to ensure the effective deployment of risk mitigation techniques. By adopting a proactive approach that emphasizes the importance of anticipating and preventing hazards, rather than relying solely on corrective measures, we enhance our safety culture. We have developed an effective system for incident reporting, investigation and analysis. Through SAFEX International, learnings from global safety incidents are shared with our teams. Investigative teams identify risks, determine root causes and enable the execution of specific corrective and preventive actions.

Our ongoing efforts through Hazard Identification and Risk Assessment (HIRA), we have successfully reduced **26 high-risk** activities to medium risk for FY 2024-25. Our facilities are equipped with state-of-the-art fire safety solutions, including hydrant systems and a variety of fire engines. Safety Committees engage with stakeholders to incorporate recommendations, ensuring our workforce is well-prepared for process improvements and the introduction of new technologies.

PROACTIVE SAFETY MANAGEMENT

HAZARD IDENTIFICATTION
Conducted Hazard and Operability Study (HAZOP) to recognize and assess potential hazards

RISK ASSESSMENT
Conducted HIRA and Job Safety Analysis (JSA) to identify, assess and control workplace hazard

PERSONAL SAFETY
Using PPE to minimize exposure to hazards

SAFETY TRAINING
Peripdic safety trainings to build safety readiness and a zero-harm culture

HIRA and HAZOP Summary for FY 2024-25:

Total number of **HAZOP** studies conducted	Total number of **HIRA** assessments completed
63	418

Safety Capability Building

Recognizing the critical importance of equipping our workforce with the necessary skills for safe product handling, we prioritize ongoing training initiatives. Our approach begins with an intensive health and safety induction, which is complemented by specialized training at the plant level. We successfully deliver regular monthly refresher sessions, strategic safety meetings, and evaluations to all employees.

To maintain high standards of health and safety, we conduct cross-functional team audits, external audits, safety reviews, and hold monthly meetings and refresher training sessions. We encourage our staff to thoroughly understand our Environment, Health, and Safety (EHS) policy as well as the Standard Operating Procedures (SOPs) that define operational safety guidelines within our facilities. **Routine emergency preparedness drills further reinforce compliance with these standards.**

Safety Initiatives

1. A new 8,000-litre fire engine, fully equipped with advanced firefighting systems, has been commissioned at our manufacturing plant.
2. A new fully equipped ambulance has been commissioned at our manufacturing plant to strengthen on-site emergency response capabilities.

National Safety Week

During National Safety Week, cross-functional teams participated in a fire safety mock drill to strengthen emergency response. Activities included safety quizzes, a workshop on process hazard analysis, and scenario-based chemical emergency and first-aid drills

Safety Training Kiosk (STK)Machine

We implemented innovative training solutions including five safety training kiosks featuring AI-driven audio-video modules. Two additional training halls were also developed in strategic locations, reinforcing safety training strategy.

Diversity and Inclusion

At Solar, employee engagement and diversity & inclusion are deeply embedded in our culture. Our engagement efforts are built on the foundational pillars of Connection, Recognition, and Well-being. We believe that when employees feel emotionally connected to the organization, recognized for their contributions, and supported in overall well-being, they are more motivated, productive, and committed.

Our Policy on Employee Wellbeing, supervised by the senior management, emphasizes a zero-tolerance stance towards discrimination and ensures equitable access to rewards and recognition. By cultivating an environment of innovation and engagement through employee resource groups, training programs, and inclusive policies, we drive a culture where every team member can contribute their unique talents towards theirs and our success.

Solar Group Carnival: A Celebration of Togetherness

Solar group hosted Carnival which is a vibrant celebration that brings together the entire Solar family across all corporate and plant locations. Held during the months of February and March, this festive initiative is designed to foster camaraderie and engagement among employees and their families.

The Carnival features a range of fun-filled activities, including arcade games and interactive experiences, creating a joyful atmosphere that strengthens bonds and celebrates the spirit of togetherness within the organization.

Human Resource Engagement and Development

Ensuring flexible work culture at Solar Group, we have established a cross-functional team to manage and communicate HR policies effectively. Our commitment to engaging employees through impactful events, initiatives, and surveys is integral to our organizational success. By nurturing a diverse and inclusive workforce, we prioritize health, safety, and well-being, thereby enhancing employee engagement and satisfaction. We empower our employees to drive sustainable growth, highlighting our commitment to their development and the organization's enduring success.

Hiring & Retention

Solar prioritizes the support and integration of new hires, recognizing their first weeks as crucial for a successful transition. A dedicated team aids newcomers in engaging with our people, systems, and policies while facilitating leadership interactions. Understanding effective retention as crucial for success, we invest in engagement and skill-building initiatives, ensuring growth and well-being. Comprehensive training programs enhance skills for career progression both internally and beyond. Even post-retirement, flexible work arrangements enable continued contributions, supported by a structured retirement policy that values ongoing involvement and ensures a smooth transition.

Employee Health, Safety & Well-being

Employee health and well-being is critical to us. Our comprehensive approach includes physical, mental, and emotional wellness initiatives, coupled with team building and recognition programs to adopt inclusivity and camaraderie. We provide essential benefits like health, accident insurance, provident fund and parental leave, reflecting our commitment to equitable support. Our plant canteen offers nutritious, subsidized meals, supporting healthy choices. This highlights our commitment to integrity, compassion, and holistic workforce growth, empowering employees to achieve excellence and facilitate organizational success.

Rewards and Recognition

Monthly Shabash Awards boost morale and appreciation.

Annual Health Check-up Camp

Human Rights

We are dedicated to promoting a positive and inclusive workplace through a strict zero-tolerance stance against human rights violations. We comply with all legal mandates in our regulated environment, prioritizing workforce welfare with comprehensive human rights training and equitable wage practices. Central to our commitment is a robust Human Rights policy, focused on dignity and respect, supported by a grievance mechanism and regular evaluations for corrective actions.

In FY 2024-25, no human rights complaints were reported.

We prohibit child labor, forced labor, and human trafficking, guaranteeing equal opportunity, safe conditions, and a harassment-free environment. Our labor practices focus on negotiating favorable wage agreements. Engagement with trade unions supports global welfare and productivity discussions, safeguarding freedom of association and collective bargaining rights.

Competency Mapping and Learning Programs

We have implemented a comprehensive Competency Mapping Framework that defines the technical, behavioral and leadership skills required across various roles at Solar Group. Our learning ecosystem includes:

- Role-based Training Programs: Customized learning pathways aligned with job-specific competencies.
- Online Learning Platforms: Self-paced e-learning platform having modules on technical / functional and behavioral topics.
- Microlearning Modules: Short, focused lessons delivered through virtual platforms for quick and easy access at all levels based on behavioral competency framework.
- Continuous Learning Culture: Regular knowledge-sharing sessions were organised to ensure learning is embedded into everyday operations.

Continuous Learning and Development

Our training initiatives are vital in promoting internal and external training, including on-the-job sessions, to enhance skills, ensure safety awareness and support continuous learning and development. Each year, we carefully plan training calendars for employees, covering 100% of our workforce in skill advancement over the past two years. Our advanced and continually updated learning platform offers diverse educational opportunities, keeping employees informed on essential business insights, product details, and industry standards. Digitized instructions from our training specialists provides interactive e-modules and practical simulations, bridging theoretical knowledge with real-world applications.

Leadership Development Program

Leadership at every level plays a vital role in ensuring operational integrity, regulatory compliance, and a safety-first culture. Our Leadership Development Programs were designed to build capabilities across the organizational hierarchy—from frontline supervisors to strategic leaders.

Three-tier Leadership Framework: Structured programs for Emerging Leaders, Mid-level Managers, and Senior Executives focusing on decision-making, people management, and strategic thinking.

Community Relations

At Solar group, 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.

Annual Sneh Bhoj

SnehBhoj is Solar's annual community meal hosted every January as a heartfelt gesture to connect with nearby community. The event features a delicious meal served with warmth and respect, symbolizing togetherness and gratitude. This event has become a celebration of the spirit and a meaningful way to strengthen bonds with the community around us.

Blood Donation Camp

As part of our annual blood donation drive, all our Solar family employees and workers came together for a cause that truly matters: saving lives through blood donation.

Governance

Our Corporate Governance framework guides our business strategies with financial accountability and ethical conduct, ensuring fairness and transparency for all stakeholders

Key Highlights

7
Board Committees to oversee the operations and decision-making process

7,540
Revenue (₹ Crore)

100%
Employees trained on Code of Conduct

2,031
EBITDA (₹ Crore)

Zero
Trust Network

Zero
Cases of Insider Trading and Corruption reported

Zero
Instances on Sexual Harassment

Zero
Employee complaints under Vigil Mechanism

SDG Linkage

Our Governance Framework

We are guided by an independent, diverse, and experienced Board that provides effective oversight of management, operations, and organization-wide risks and opportunities. Our Governance Framework enables the Board to fulfill its fiduciary duties while protecting stakeholder interests and driving long-term value creation. Grounded in the principles of fairness, accountability, disclosure, and transparency, our governance philosophy is deeply embedded in our policies, practices, and culture, supporting responsible management and sustainable growth.

Our Four-Level Corporate Governance Structure

Governance by Shareholders
↑
Governance by Board of Directors
↑
Governance by Committees of Board of Directors
↑
Governance through Management Process

By leveraging the expertise of our board-level committees, we are positioned to achieve sustainable growth, success, and Propel to Power by continuously adapting in a dynamic business environment.

Our Compliance System

As an explosives manufacturer, we rigorously follow guidelines by the Petroleum and Explosives Safety Organization (PESO) and the Directorate General of Mines Safety (DGMS). Additionally, we comply with the Securities and Exchange Board of India (SEBI) to uphold standards of corporate governance and maintain transparency in our financial disclosures.

Aligned with our mission, we have crafted a comprehensive sustainability policy framework to advance our Environmental, Social, and Governance (ESG) initiatives. Our cohesive strategies ensure continuity and adaptability, empowering us to sustain growth and consistently deliver value to our stakeholders.

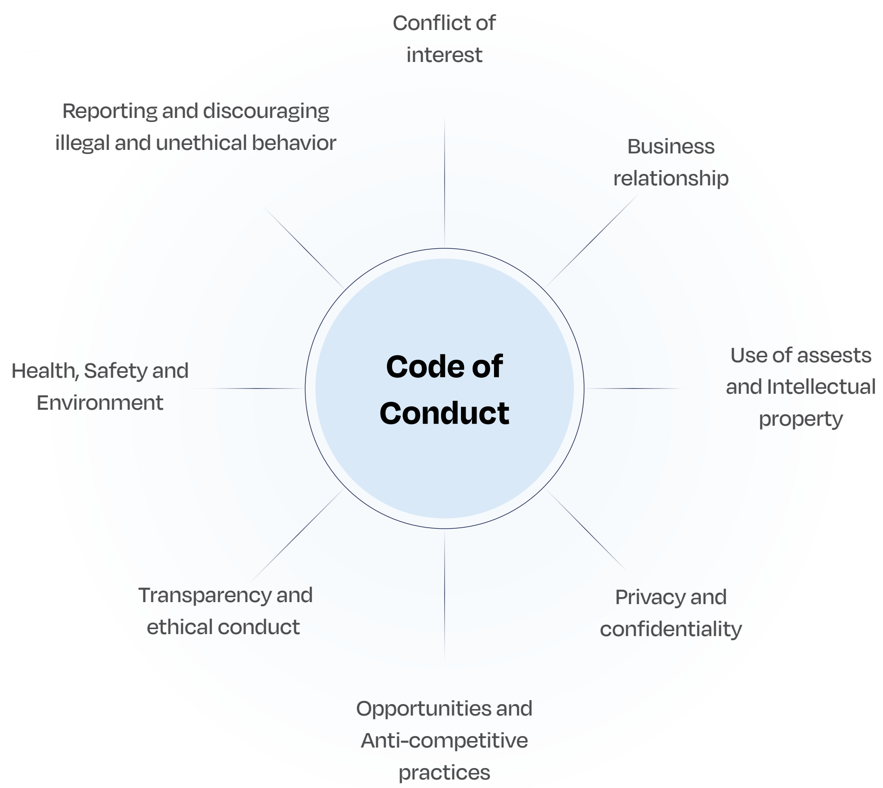
Our Polices

Code of Conduct	Whistleblower Policy	Human Rights Policy
Risk Management Policy	Nomination and Remuneration Policy	Corporate Social Responsibility Policy
Environmental, Health, and Safety Policy	Diversity, Equity, and Inclusion Policy	Anti-Bribery and Anti-Corruption Policy

Code of Conduct

We are committed to maintain integrity, governance, and ethics, ensuring compliance with laws and regulations to build trust and protect stakeholder interests. Our strong corporate governance framework includes leadership, internal controls, risk management, and policy development. To uphold our zero-tolerance stance on unethical behavior, we conduct regular training sessions for all employees on our Code of Conduct.

We continually review and enhance our ESG-aligned practices to ensure responsible and moral business operations.



Critical Incident Risk Management

Risk management is a cornerstone of effective corporate governance and strategic planning. The Board, both collectively and through its various committees, holds ultimate responsibility for overseeing risk management. This oversight is supported by management reporting mechanisms, including an annual, organization-wide risk assessment. These processes are designed to ensure transparency for the Board and its committees in the identification, evaluation, and management of significant risks, as well as the mitigation strategies employed. While the Board retains overall accountability for risk oversight within the Solar Group, it delegates responsibility for specific risk areas to its respective committees. These committees, as necessary, report back to the Board to facilitate comprehensive review and deliberation of such matters.

Data Privacy and Cyber Security

We are committed to continuously enhancing our cybersecurity and data privacy protocols to ensure robust protection in a rapidly evolving digital landscape. Our Data Privacy and Cyber Security strategies are informed by structured internal oversight and proactive risk mitigation.

Governance & Oversight	Culture & Awareness	Technology & Infrastructure Protection	Threat Detection & Response
CIO & CISO-led hierarchy, defined roles, regular board-level risk reviews	National Institute of Standards and Technology (NIST) framework implemented, Endpoint protection, secure architecture	Security Information and Event Management (SIEM) tools, incident response teams, threat intelligence integration	Annual training calendar, phishing simulations, leadership workshops

Our IT Governance Structure

MD & CEO	Leading Solar Group's cybersecurity vision to empower secure, resilient, and forward-looking growth.
Chief Information Officer (CIO)	Oversees the Company's overall IT strategy, aligning technology investments with business goals and resilience.
Chief Information Security Officer (CISO)	Leads the cybersecurity program, defining policies, managing risks, and ensuring compliance with security standards.
Technology Team	Ensures secure operations, reliable infrastructure, and seamless coordination to support Solar's digital and cybersecurity objectives.

Employee Awareness on Cybersecurity

We have implemented a comprehensive, multi-faceted cybersecurity training program for all our workforce. This includes self-paced learning modules on our Learning platform, interactive online training with phishing simulations, and in-person social engineering training for plant personnel. Specialized courses for IT staff ensure they remain current with best cybersecurity practices.

Compliance Monitoring

Our robust IT infrastructure focuses on People, Process, and Technology, with a strong emphasis on the principles of Confidentiality, Integrity, and Availability (CIA), all supported by a comprehensive security framework. We manage information security operations across cloud services, networks, infrastructure, applications, email, and endpoints. Our infrastructure includes distinct network segments and employs encryption measures to protect data.

Strong Financial Performance

Solar Group is India's largest and among the world's leading commercial and defence explosives manufacturers.

Our financial performance this year demonstrates robust growth in revenue, EBITDA as well as Net Profit compared to last year.

24%	44%	47%
Revenue growth (YOY)	EBITDA growth (YOY)	Net profit growth (YOY)

Research & Development (R&D)

We have consistently invested in cutting-edge R&D to expand beyond its traditional strength in commercial explosives used in mining and infrastructure. With a strategic vision to innovate and diversify, we have developed high-performance products like SEBEX-2, which delivers twice the lethality of TNT, underscoring our advanced technological capabilities.

Solar Group is also excelling in the defense sector due to their strong focus on indigenous capability. Its sustained R&D efforts have yielded a new generation of precision-guided and loitering munitions such as Nagastra-1, Nagastra-2, Rudrastra, and Bhargavastra, which have already been deployed in critical missions, reinforcing its position as a key contributor to India's defense self-reliance.

Product Safety and Security

Exceptional product safety and quality is our top priority, leading to our international market success. Recognized for maintaining high standards of safety, we are committed to customer satisfaction. By ensuring product and service integrity, we have built a strong brand reputation that enhances performance and trust. Our robust quality assurance processes meet international and national standards, guaranteeing safety and reliability.

We offer rigorous training across our value chain, ensuring all employees maintain superior standards of product knowledge so that customers experience the excellence associated with Solar Group. Our assurance of safety is reinforced by thorough testing procedures that fulfill regulatory requirements and strict internal benchmarks. This disciplined approach affirms our commitment to providing reliable, high-quality product solutions without any health and safety non-compliance.

Customer Satisfaction

We are dedicated to maintaining customer satisfaction by offering safe, reliable, and high-quality products that enhance value for our clients. We engage with customers through various methods, including client visits, technical seminars, and safety workshops, to thoroughly understand their needs and provide exceptional service. Our clientele includes global multinationals, leading companies, and government (defense) agencies across key regions. As part of our commitment to continuous improvement, we regularly collect and analyze customer feedback. Our CRM system enables clients to report concerns and monitor their resolution. We emphasize resolving customer issues promptly and efficiently, achieving a 100% resolution rate for complaints over the past two years.

Rewards and Recognition

Mega Defence & Aerospace Project MoU Signed with Maharashtra Goverment

Signed an MOU with the Government of Maharashtra to set up a Mega Defence and Aerospace project in Nagpur, backed by an investment of ₹12,700 Crores.

Excellence in Digital Procurement Transformation

Solar Industries India Limited secured the award for Excellence in Digital Procurement Transformation.

TPM Excellence Award (Category A)

Solar Defence and Aerospace Limited a subsidiary of Solar Industries India Limited, was honored with this award by the Japan Institute of Plant Maintenance (JIPM).

Best CEO in the Pillars of Progress Category

Mr. Manish Satyanarayan Nuwal, the Managing Director and CEO of Solar Industries India Limited, was recognized by Business Today for his exceptional leadership.

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

Shri Dinesh Kumar Batra
Non-Executive Independent Director

Joint Chief Financial Officer

Shri Moneesh Agrawal

Smt. Shalinee Mandhana

Company Secretary & Compliance Officer

Smt. Khushboo Pasari

Corporate Identification Number

L74999MH1995PLC085878

Registered Office

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

Statutory Auditors

M/s S R B C & Co. LLP
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
IDBI Bank
Bank of Baroda

Debenture Trustee

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

Registrar and Transfer Agent

M/s MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
C-101, 247 Park
LBS Marg, Vikhroli (West)
Mumbai – 400083, India
Tel No. – 022-49186000
E-mail: rnt.helpdesk@in.mpms.mufg.com

Grievance Redressal Division

investor.relations@solargroup.com

Audit Committee

Shri Natrajan Ramkrishna
Chairman

Shri Jagdish Chandra Belwal
Member

Shri Manish Nuwal
Member

Smt. Rashmi Prasad
Member

Stakeholders Relationship Committee

Shri Jagdish Chandra Belwal
Chairman

Shri Manish Nuwal
Member

Shri Suresh Menon
Member

Nomination and Remuneration Committee

Shri Natrajan Ramkrishna
Chairman

Shri Jagdish Chandra Belwal
Member

Shri Dinesh Kumar Batra
Member

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Shri Jagdish Chandra Belwal
Member

Risk Management Committee

Shri Manish Nuwal
Chairman

Shri Suresh Menon
Member

Shri Milind Deshmukh
Member

Shri Natrajan Ramkrishna
Member

Shri Jagdish Chandra Bewal
Member

Smt. Rashmi Prasad
Member

Shri Moneesh Agrawal
Member

Smt. Shalinee Mandhana
Member

Shri Ashish Khole
Member

Shri Paresh Patel
Member

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

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

Management Discussion and Analysis

Economic overview

Global economy[1]

The global economy exhibited steady growth, achieving a 3.3% expansion in the reported calendar year. This steady pace, despite various headwinds, highlights the remarkable resilience of economies worldwide. The sharp upward shift in the US economy highlights its vitality, countering the sluggish prospects of some large European nations. Moreover, disruptions such as geopolitical upheavals, volatile commodity prices and extreme weather patterns have presented challenges in many regions while simultaneously driving adaptation and innovation.

Emerging markets in Asia demonstrated robust growth, fuelled by high demand across various sectors. These regions are anticipated to remain key drivers of global growth, creating new opportunities worldwide. Although regions like the Middle East, Central Asia and Sub-Saharan Africa face persistent economic headwinds, the growing appeal of emerging markets is attracting increasing capital inflows, adding further dynamism to the global economy.

[1]https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

In CY 2024, global headline inflation stood at 5.7%, and it is projected to decline to 4.3% in CY 2025, indicating a gradual easing of price pressures across major economies. This declining trajectory highlights the efficacy of monetary policy measures implemented by central banks in major economies to mitigate inflationary pressures. Moreover, advanced and few emerging economies particularly the ones where the production facilities of Solar are located are undertaking structural reforms to mitigate demographic challenges and productivity constraints, utilising digitalisation and sustainable investments to foster long-term economic growth.

Zambia[2]

Zambia, one of the world's youngest nations by median age, is undergoing demographic shifts while recovering from the COVID-19 recession. Despite challenges, including an El Niño-induced drought affecting nearly 10 million people and slowing GDP growth to 1.9% in early CY 2024, the country remains resilient.

Key sectors like agriculture and energy faced setbacks, but mining showed positive growth, supported by over $7 billion in new investments. Ongoing debt restructuring, supported by the G-20 Common Framework and recent agreements with the IMF, is helping stabilise the exchange rate, which should bring more stability to the economy and lower inflation in the coming months.

Looking forward, Zambia's economy is expected to bounce back, with growth predicted to average 6.3% annually over the next two years. This positive outlook is based on higher mining production, successful reforms and normalisation of rainfall patterns.

Nigeria[3]

Nigeria has made significant strides in stabilising its economy through key reforms, leading to modest growth, improved fiscal health and a rise in foreign exchange reserves in CY 2024. Despite short-term pressures on households and businesses, these measures were crucial to avoid a financial crisis and set the country on a stronger path for development.

The Federal Government's fiscal deficit has reduced to 3.37% of GDP in CY 2024, down from 4.19% in CY 2023, mitigating debt risks. Foreign exchange reserves have increased from $32.9 billion at the end of CY 2023 to over $38.8 billion in CY 2024, bolstering the economy's resilience against external shocks. However, inflation remains elevated, driven by rising gasoline prices and flooding. With the current policy mix, inflation is expected to decline to 14.3% by CY 2027.

South Africa[4]

South Africa's economy is characterised by its diversity and industrialisation, positioning the country as a leader in key sectors such as mining, manufacturing and finance within the African continent. Economic growth accelerated in the latter half of CY 2024, driven by several favourable factors, including the cessation of load-shedding, moderated inflation, and reduced interest rates. These conditions have reinforced the financial positions of households and corporations, thereby enhancing overall economic momentum. In CY 2024, the Consumer Price Index (CPI) inflation decreased to 4.4%, marking the lowest level since the 2020 Covid-19 pandemic surge. This reduction was primarily attributable to the appreciation of the rand, declining fuel prices.

Global organisations like the International Monetary Fund have revised upward the medium-term outlook for South Africa's economy. The South African Reserve Bank (SARB), in its September CY 2024 estimates projected steady growth of 1.6% in CY 2025, 1.8% in CY 2026, and 2.5% in CY 2027. Over the next three years, growth is expected to average around 2%, with inflation staying steady near the midpoint of 4.5%.

Australia[5]

Australia's economy has been bolstered by strong public spending and infrastructure projects, even though the labour market has softened slightly. Job creation remains steady and inflation has reached 2.8% year-on-year in CY 2024, a significant drop from post-pandemic highs. Growth slowed to 1.2% in CY 2024, mainly due to weak household spending and lower real incomes. Unemployment has risen slightly, but the labour market has stayed fairly stable.

Looking ahead, growth is projected to reach 2.1% in CY 2025, supported by a recovery in private demand and sustained public investment. While efforts are being made to avert a sharp slowdown, risks such as subdued private spending and potential decelerations in key trading partners persist. Nevertheless, the economy is expected to gain momentum, with public demand and infrastructure projects continuing to underpin the recovery.

[2]https://www.worldbank.org/en/country/zambia/overview
[3]https://countryeconomy.com/deficit/nigeria
[4]https://www2.deloitte.com/us/en/insights/economy/emea/africa-economic-outlook.html
[5]https://www.imf.org/en/News/Articles/2024/12/18/pr-24482-australia-imf-executive-board-concludes-2024-aiv-consultation

Ghana[6]

Ghana's economy has demonstrated resilience, navigating challenges and reinforcing its position as one of Africa's most dynamic economies. By the end of CY 2024, real GDP growth reached 5.7%, a substantial increase from 3.1% in CY 2023 and is projected to grow by 4% in CY 2025.

This growth trajectory is supported by strategic government initiatives focused on promoting resilience and improving the living standards of Ghanaians. Ghana's recovery emphasises its commitment to fiscal consolidation, debt restructuring and inclusive growth. The country's ability to rebound and lead the region in economic recovery showcases its determination, positioning it as a key player in Africa's economic landscape.

Tanzania[7]

Tanzania's growth has remained strong. The inflation has remained low with narrowing fiscal and current account deficits, driven by better tax collection and robust trade performance. While pressures in the foreign exchange market persist, signs of moderation have been seen. The medium-term outlook is positive, with GDP growth expected to align more closely with long-term potential, supported by ongoing structural reforms. Inflation decreased from 3.8% in CY 2023 to 3.2% in CY 2024 and is projected to be 4% in CY 2025, well below the Bank of Tanzania's target of 5%.

Over the medium term, growth is forecasted to average around 6%, driven by improved business climate. Implementation of reforms are likely to attract greater investment, including Foreign Direct Investment (FDI). Headline inflation is also expected to remain low and stable.

Indonesia[8]

Indonesia's economy continues to demonstrate resilience, with GDP growth projected at 5.1% in CY 2024 and 5.2% in CY 2025. Headline inflation slowed to 1.7% in CY 2024 and domestic demand remained the key driver of growth throughout the reported calendar year. Election-related spending, increased public wages and lower non-food inflation boosted private consumption. Additionally, public infrastructure investments fuelled a rise in construction, with growth accelerating from 2.7% to 7.4%. Public infrastructure spending and investment also supported a modest increase in mining activity. Although real imports grew faster than exports, net exports still contributed modestly to GDP growth. The gradual expansion of the current account deficit reflects this trade dynamic, but it remains manageable given the broader economic stability.

Indonesia is well-positioned to sustain strong growth around 5%, driven by robust domestic demand and effective macroeconomic policies.

Outlook

The global economic outlook for CY 2025 reflects cautious optimism, with tepid yet steady growth projections of 3.2%. Inflation is expected to ease to 4.3% by the end of the year, signalling a stable global economy and recovery prospects in emerging markets.

Despite ongoing geopolitical tensions in many parts of the world, a rebound in global economic activity is anticipated. Sustained momentum is likely as governments implement prudent fiscal and monetary policies worldwide. However, significant risks to the outlook remain, including potential disruptions from abrupt commodity price increases, heightened trade barriers and instability in China's financial markets.

[6]https://www.imf.org/en/Countries/GHA
[7]https://www.worldbank.org/en/country/tanzania/overview
[8]https://www.adb.org/sites/default/files/publication/995536/asian-development-outlook-september-2024.pdf

Indian economy[9]

The Indian economy has continued to exhibit resilience amid global uncertainties, with GDP expanding by 6.5% in FY 2024–25. This momentum has been driven by strong sectoral performance, improving consumption trends and proactive government policies. Private consumption is on a steady rise, reflecting robust consumer confidence and sustained demand. Concurrently, a notable increase in government expenditure has further energised economic activity. Core sectors such as construction, financial services and trade have remained key pillars of growth. The manufacturing sector played a crucial role, marked by heightened purchasing activity and increased employment in the latter half of the year. The services sector also recorded a healthy uptick, propelled by a rise in new businesses and job creation.

India's exports added positively to this narrative, rising by 10.4% despite global trade headwinds. As overseas shipments outpaced imports, net exports contributed 2.5 percentage points to GDP expansion. This performance was supported by robust rural demand, a surge in foreign investments and targeted policy initiatives aimed at boosting consumption and investment.

Outlook

India's economic outlook for FY 2026 is optimistic, underpinned by a solid foundation of domestic stability. The country is poised to maintain its position as one of the world's fastest-growing economies. Growth is anticipated to accelerate, driven by reduced inflation, favourable weather conditions enhancing agricultural productivity and stronger rural consumer spending.

Furthermore, as multinational corporations seek cost-effective locations for expansion, India is well-positioned to attract increased investment. This influx of capital is expected to foster long-term job creation and contribute to sustained economic development.

Industry overview

Global Industrial Explosives Industry [10]

The global industrial explosives market has experienced consistent growth, primarily driven by the increasing demand from the mining sector for advanced methods of resource extraction. The increase in construction projects, supported by higher incomes and efforts to improve extraction methods, has further fuelled this growth. Technological advancements in explosives, which enhance safety and efficiency have also played a major role in driving adoption across industries.

However, the market is confronted with challenges, including the imposition of stringent environmental regulations and safety standards, which present considerable constraints for both manufacturers and end-users. Furthermore, the growing adoption of non-explosive excavation methods in select regions represents an additional factor that may impede the market's growth trajectory.

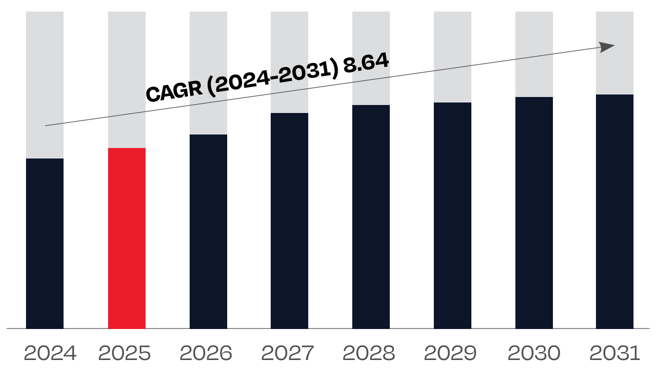
The Asia-Pacific region dominates the market, driven by robust demand from mining and construction activities. North America also experiences steady growth, underpinned by its active mining and construction sectors. In Europe, the focus is on innovation, while simultaneously adhering to stringent environmental and safety regulations. Despite facing challenges, the market continues to evolve and expand, shaped by the inherent opportunities and challenges within the industry.

Outlook

The global industrial explosives market is expected to reach US$22 billion by CY 2031. This growth is driven by rising demand from mining and construction, along with advances in technology that make explosives safer and more eco-friendly. Moreover, rapid urbanisation and infrastructure expansion in emerging economies, particularly the Asia Pacific region, are acting as significant catalysts. While strict safety and environmental rules can be challenging, they help build trust and ensure steady progress. Overall, the market is set to expand as it balances innovation with meeting regulatory requirements.

[9]https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT19032025F9CCA0AB1F7294130A950E2FD5448B5FC.PDF
[10]https://www.fairfieldmarketresearch.com/report/industrial-explosives-market

Global Industrial Explosives Market



Source: Fairfield Market Reserach

India's industrial explosives industry

Industrial explosives, propelled by government initiatives and the increasing demand for large-scale projects play a crucial role in India's infrastructure growth. As the backbone of economic progress, infrastructure projects like roads, bridges, tunnels, dams and railways support communities and industries alike. With India aiming to become a $7 trillion economy by FY 2030, the demand for industrial explosives has surged, fuelled by investments in infrastructure and mining. The industry is supported by government initiatives requiring extensive blasting activities such as the National Infrastructure Pipeline (NIP), Make in India campaigns, key projects such as Bharatmala Pariyojana, Sagarmala and metro rail and airport expansions.

Key trends in Indian explosives industry

Rising Demand from Mining

The industrial explosives market is growing as mining activity increases to meet the need for minerals and metals across many industries.

Enhanced Safety and Efficiency

Manufacturers are focusing on developing safer, more efficient explosives with greater control and less sensitivity to external factors.

Boost from Construction and Infrastructure

Rising construction, growing cities, and major infrastructure projects especially in developing countries are creating strong opportunities for the industrial explosives market.

Mining and quarrying industry

Coal [11]

India's coal sector is growing strong, with production crossing 1 billion tonne in FY 2024–25, nearly 5% more than last year which is making India the world's second-largest coal producer after China. Coal is still the main source of energy in the country, providing over 55% of its energy and nearly 74% of its electricity. The government is making many improvements by allowing companies to mine their own coal, speeding up approvals, and strengthening transportation with special railway lines and a Rail–Sea–Rail system. This is helping create more jobs directly for over 5 lakh people and many more indirectly, while reducing the need to import coal. At the same time, strong safety and environmental measures are in place, alongside health programs for workers, training, and community initiatives to make sure mines are managed responsibly. Smart technologies, like a 5G lab, are also helping make operations more efficient and safer. All these steps aim to make sure India's energy is reliable, strong, and helps support its growth while taking care of people and nature.

The International Energy Agency (IEA) projects that India's electricity demand will grow at an average annual rate of 6.3% through FY 2027, necessitating a 5-6% increase in power generation. To support this, the Ministry of Power has outlined plans to add 80,000 MW of coal-based power plants by FY 2032, which will require an additional 350 million tons of coal annually.

In FY 2024-25, India's total installed power generation capacity reached 451 GW, with 218 GW derived from coal-fired plants. While India has aggressively expanded renewable energy, the role of coal remains dominant, as the country aims to achieve 500 GW of renewable energy capacity by FY 2030. India is poised to drive global coal demand growth for the next decade.

Outlook

India is set to maintain its position as a global leader in coal demand through FY 2027. Coal consumption is expected to rise across all grades, growing at an annual rate of 2.6% with total consumption expected to reach 1,421 million tons by FY 2027. The Ministry of Coal's strategic initiatives to boost production and improve coal availability are central to strengthening the nation's energy security. These efforts, aimed at reducing import dependency, align with the government's goal of achieving self-sufficiency in coal production. This focus on increasing domestic output is key to sustaining India's economic growth and ensuring a stable energy future.

Steel

The Indian steel industry has witnessed significant developments in FY 2025, marked by both growth and challenges. While demand remained strong across sectors such as construction, automotive, infrastructure and housing, steel production grew at a slower pace, reaching approximately 150.7 million tons, a 4.4% increase over the previous year. This moderated growth was attributed to lower housing construction amid general elections and unusually heavy monsoons.

The industry also faces challenges, such as fluctuating global steel prices and a rise in imports from countries like China and Vietnam, making it harder for local steel to compete. Despite these issues, the government is working to support the domestic steel industry by investigating unfair import practices and implementing measures like tariffs to protect local manufacturers.

Outlook[12]

According to Acuité Ratings & Research, the Indian steel industry is anticipated to expand at an annual rate of 8% in the medium term, driven by robust demand from the automotive, real estate and infrastructure sectors. This growth trajectory is expected to increase by 20 million tons in annual capacity by FY 2026-27. In addition, the Government of India's emphasis on "Housing for All," with a plan to develop 3 Crores houses over the next five years under the Pradhan Mantri Awas Yojana (PMAY,) augurs well for the steel, cement and aggregate industries.

[11]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2118788

[12]https://cfo.economictimes.indiatimes.com/news/economy/indias-steel-industry-to-grow-at-8-capacity-to-rise-by-20-million-tons-by-fy2027-report/115479223

Minerals

India's minerals and metals industry has seen strong growth in FY 2024-25, supported by its rich natural resources and helpful government policies. As one of the top producers of iron ore, bauxite and chromite, India's mineral wealth plays a key role in building infrastructure, powering industries and meeting energy demands. Policies like the National Mineral Policy (NMP) 2019 and reforms to the Mines and Minerals Development and Regulation Act (MMDR) have been instrumental in promoting efficiency and sustainability in mineral exploration and mining. These changes have also attracted private companies and boosted efforts to explore untapped resources.

Recent statistics indicate a positive trajectory in mineral production. In FY 2024-25, India's iron ore production increased to 289 million metric tonnes (MMT) from 276 MMT in the same period of the previous year, marking a 3.5% growth.[13]

Outlook

The outlook for India's minerals and metals industry is positive, with strong growth expected in the coming years. Demand for key resources such as iron ore, bauxite and copper will continue to rise, driven by infrastructure development, manufacturing and the push for renewable energy. Additionally, the growing need for minerals like lithium and cobalt for electric vehicles and solar panels presents new opportunities for exploration. With strategic reforms and technological advancements, the industry is set for steady expansion, supporting India's economic and industrial ambitions.

Growth drivers

- The Indian government has implemented policy reforms to attract private investments in the mining sector, including the auctioning of coal blocks to private companies. This strategy is expected to enhance production efficiency and meet the country's energy requirements.
- The Mines and Minerals (Development and Regulation) Amendment Act, 2023, removed six minerals, including lithium and titanium, from the list of atomic minerals restricted to state exploration. This legislative change opens avenues for private sector participation in exploring and mining these critical resources.

Real estate and construction industry

The Indian real estate and construction industries are undergoing substantial transformation, marked by steady growth and evolving market dynamics. The construction sector is projected to expand by8-10% in FY 2025-26,[14] driven by both public and private investments in key infrastructure projects, residential developments, and green energy initiatives. The residential market, particularly the luxury residential market has gained momentum with developers reporting record sales. Additionally, sustainability has become a central theme, with developers adopting eco-friendly designs, energy-efficient systems and green materials.

Growth drivers

- Rapid urbanisation and a growing population are increasing the need for residential and commercial spaces. This demographic shift is a significant driver for the expansion of real estate developments across the country.
- The relaxation of FDI norms in the real estate sector has led to increased foreign investments, providing a substantial boost to the industry's development and expansion.
- The adoption of new technologies in construction and real estate, such as smart home systems and advanced building materials, is enhancing efficiency and attracting investment, contributing to the industry's growth.

[13]https://pib.gov.in/PressReleasePage.aspx?PRID=2099042

[14]https://www.business-standard.com/industry/news/construction-industry-expected-to-grow-by-8-10-in-fy26-says-icra-125041601140_1.html

Outlook

The outlook for the Indian real estate and construction industries remains promising, underpinned by strong domestic demand, government initiatives, and technological advancements. The real estate market is projected to experience a 6.0% increase in home prices in FY 2025-26, driven by heightened demand from high-net-worth individuals. However, the middle-class may encounter affordability challenges due to escalating living costs.[15]

Roads and infrastructure sector

The Indian roads and infrastructure sector plays a vital role in the country's economic growth, encompassing highways, bridges, urban roads, airports and other related infrastructure. It has seen significant growth, driven by major government investments and a strong focus on improving connectivity. As India works towards its Viksit Bharat vision, improving infrastructure is crucial. In support of this, the Union Budget 2025-26 has allocated ₹ 11.11 trillion towards capital expenditure with major developments planned across roads, railways, ports and airports.

Growth drivers

- In FY 2024-25, India added approximately 10,000 to 10,500 kilometres of new highways.[16] The first half of the fiscal year experienced a slowdown in road construction due to the General Elections and prolonged monsoon seasons, which reduced productive days. Despite these challenges, the growth was supported by a substantial pipeline of projects. Increased capital outlay by the government and a focus on project completion by the Ministry of Road Transport and Highways have acted as significant growth drivers for the industry.
- The inauguration of the Z-Morh Tunnel in Sonamarg, Kashmir, by Prime Minister Modi on January 13, 2025, exemplifies the government's focus on strategic infrastructure. This ₹ 2700 Crores project aims to enhance connectivity between Kashmir and Ladakh, thereby boosting tourism and regional development.
- The National Highways Authority of India (NHAI) has identified 24 road assets totaling 1,472 km for monetization in FY 2025–26, generating approximately ₹1,863 crore in annual revenue. These assets are expected to be monetized primarily through the Toll Operate Transfer (TOT) model, with the option to consider other modes if revised later. This initiative aims to reduce NHAI's debt burden and generate funds for further infrastructure development, continuing the monetization momentum seen in FY 2024–25.[17]

Outlook

In FY 2025-26, the Indian roads and infrastructure industry is set to experience sustained growth, with key projects continuing to shape the sector. The government is likely to continue its efforts to improve both intercity and rural road connectivity, with more funds expected to be allocated for these developments. Additionally, the industry will likely see more private sector involvement through Public Private Partnerships (PPPs), to help build and maintain highways. The push for electric vehicle (EV) infrastructure will also gain momentum, as more charging stations are built across major highways.

Ports

India's port infrastructure is experiencing significant advancements, driven by substantial investments in modernisation and expansion to enhance capacity and operational efficiency. With a coastline spanning 7,516 kilometres, India's ports handle approximately 95% of the country's trading by volume and 70% by value, highlighting their indispensable role in the nation's economy.[18] The government's commitment to port-led development is evident through initiatives like the Sagarmala Programme, which has identified 802 projects worth ₹5.5 lakh Crores for implementation by 2035. As of FY 2024, approximately 215 projects worth ₹99,173 Crores have been completed, with another 216 projects valued at ₹2.12 lakh Crores under various stages of execution.[19] These efforts aim to reduce logistics costs, improve port infrastructure and fuel trade competitiveness.

Growth drivers

- India's position along key international shipping routes makes it a pivotal maritime hub, facilitating efficient trade between the East and the West.
- The increase in containerised cargo has been a primary driver of growth at Indian ports, reflecting heightened trade activities and the need for efficient handling facilities.
- Expanding facilities for storing and refuelling green fuels at ports positions India as a key player in sustainable maritime practices, appealing to eco-conscious shipping companies.

Outlook

India's ports sector has a promising outlook, driven by modernisation, sustainability, and regulatory advancements. The Indian Ports Bill, 2024 and Merchant Shipping Bill, 2024, align the industry with global standards and boost efficiency. The $2.9 billion Maritime Development Fund announced in Union Budget 2025-26 will enhance port infrastructure by strengthening shipbuilding and repair facilities. Automation and digitalisation are set to improve operations and global competitiveness, while renewable energy adoption supports sustainability. These developments position India as a stronger player in global maritime trade.

Cement and limestone

In FY 2024-25, India's cement production reached approximately 457 million tonnes, marking a 7-8% year-on-year growth.[20] The cement industry remains essential for construction and engineering projects, playing a key role in India's infrastructure growth. However, the sector saw only moderate growth, largely due to the impact of an extended monsoon season and elections in the country. In FY 2025, key industry players have expanded their market presence through strategic acquisitions. The ongoing trend of urbanisation continues to drive demand, as increasing migration to cities fuels the need for residential, commercial and industrial infrastructure.

This shift is driving demand for better infrastructure, including schools, hospitals and transportation systems. Even smaller cities and towns are seeing an increase in construction as local businesses grow and new industries emerge. The demand for sustainable, eco-friendly building materials is also on the rise, urging cement companies to adopt greener practices. Limestone, a key part of cement production is experiencing steady demand as construction activity spreads across urban and rural areas. With an uptick in infrastructure and a shift towards sustainable building materials, the future for both the cement and limestone industries remains strong. Looking ahead to FY 2025-26, the industry anticipates a growth rate of 6-7%, driven by increased housing and infrastructure development.[21] This projected expansion is expected to significantly boost the demand for limestone, a critical raw material in cement manufacturing.

Growth drivers

- The government's focus on affordable housing has led to an increase in demand for cement. The Pradhan Mantri Awas Yojana (PMAY) aims to build 30 million affordable homes in the next five years, creating significant demand for construction materials like cement, steel & aggregate.
- The expansion of industrial and commercial activity in smaller cities and towns has contributed to the growing demand for cement and limestone. Supported by government initiatives for rural development, states such as Uttar Pradesh and Bihar are experiencing rising cement consumption, driven by large-scale infrastructure projects.
- Initiatives such as the Smart Cities Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) have accelerated urban development. The government's focus on these projects is expected to channel ₹2.4 trillion into urban infrastructure thus helping the cement industry to grow and thrive.

Outlook

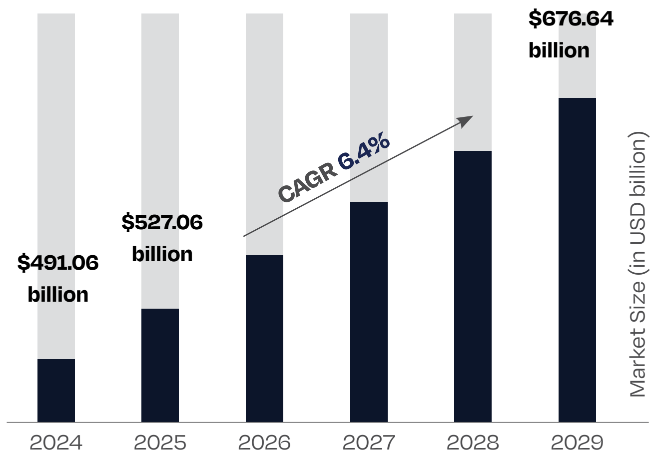
According to Manufacturing Today forecasts, the outlook for the Indian cement and limestone industries in FY 2025-26 looks positive, with expected growth of about 8%.[22] Despite challenges in FY 2024, cement demand will stay strong due to ongoing infrastructure projects and the need for more residential and commercial buildings. Sustainable construction practices are gaining traction and cement companies are focusing more on eco-friendly products to meet market demands. As urbanisation continues, smaller cities and towns will see increased demand for cement, providing further growth opportunities. With plans to expand capacity and adopt new technologies, the industry is ready to face challenges and keep growing.

[15]https://www.reuters.com/world/india/india-home-prices-rise-65-2025-driven-by-demand-wealthy-2024-12-02/
[16]https://www.constructionworld.in/transport-infrastructure/highways-and-roads-infrastructure/sluggish-awarding-to-slow-down-highway-construction-in-fy-26-too-icra/69029
[17]https://www.ndtvprofit.com/business/nhai-identifies-24-road-assets-for-monetization-in-2025-26-totalling-1472-km
[18]https://pib.gov.in/PressNoteDetails.aspx?NoteId=153432&ModuleId=3&reg=3&lang=1
[19]https://indiashippingnews.com/sagarmala-programme-driving-port-led-growth-and-coastal-development-in-india/
[20]https://www.cemnet.com/News/story/177911/indian-cement-industry-growth-expected-to-slow-in-fy24-25.html
[21]https://economictimes.indiatimes.com/wealth/invest/cement-sector-to-grow-at-6-7-p-a-in-2025-26-will-benefit-from-surge-in-construction-activities-should-you-invest-in-their-stocks/articleshow/118641838.cms
[22]https://www.manufacturingtodayindia.com/cement-industry-eyes-8-growth-in-2025-despite-challenges-in-2024

Global defence sector

Over the past year, the defence industry has seen significant transformations, driven by rising geopolitical tensions, rapid technological advancements and a sharp increase in military spending. Global military expenditures have exceeded $2 trillion and continue to rise, reflecting a major shift in government priorities, with defence now at the forefront.[23] While the US remains the largest defence spender and a leader in military technology, countries such as China, India and Russia are emerging as key players, with growing investments in their defence sectors. The defence industries in Europe, Asia and the Middle East have gained momentum, allowing new opportunities for collaboration and competition. This growing global investment is not only pushing technological innovation but also strengthening international partnerships, especially in areas like cybersecurity, space technology and artificial intelligence.

Global defence market growth forecast



Outlook

Amid ongoing geopolitical conflicts and escalating tensions among major global players, concerns about global security are rising significantly. The global defence market is expected to reach $676.64 billion by CY 2029.[24] This growth is driven by several factors, including the rising adoption of military drones, growing demand for advanced attack and transport helicopters, and increased investment in military equipment. Additionally, the development of autonomous fighter jets, modernisation of armed forces, advancements in defence technology and initiatives by governments are contributing to this expansion. The need to address both internal and external security threats further highlights the importance of heightened military readiness worldwide.

[23]https://www.vaneck.com/de/en/blog/etf-insights/global-defence-industry-a-year-of-strategic-shifts-and-growth/

[24]https://www.researchandmarkets.com/reports/5939633/defense-market-report?srsltid=AfmBOoo0L7FACubNq1w7bCIRc50oIPqhL23TsiG2Y-NLYtgvB2KTlL7E

Indian defence sector

iIndia's defence manufacturing sector is rapidly becoming a key pillar of the country's strategic and economic ambitions. The government has prioritised this sector, recognising its critical role in national security and economic growth. Aiming to become a leading exporter of military equipment, India is increasingly focusing on domestic production. In the Union Budget for 2025-26, the Ministry of Defence (MoD) received an allocation of ₹ 6.81 lakh crore, [25] the highest among all Ministries. This highlights India's expanding role as a global defence exporter. The establishment of Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu further supports this ambition, driving indigenous production, attracting investment and encouraging innovation in defence technologies. Through the 'Atmanirbhar Bharat' (Self-Reliant India) initiative, the government is encouraging domestic companies to develop advanced defence products, reducing reliance on imports. With these efforts, India is positioning itself as a hub for defence manufacturing, strengthening national security and creating jobs.

Outlook

The Indian defence sector is set to grow rapidly, driven by new technologies like artificial intelligence, robotic and autonomous systems that are improving defence capabilities. Additionally, India has proposed a defense budget of ₹6.81 trillion for 2025-26, reflecting a 9.5% increase from the previous year. The government is streamlining procurement processes and promoting innovation through initiatives such as the Innovations for Defence Excellence (iDEX) programme, which aims to enhance research and development in the sector. Increasing regional tensions are pushing India to focus more on securing its borders and strengthening maritime defence. Defence exports are expected to rise further as India positions itself as a reliable global supplier. Together, these factors are making the sector more competitive and critical to the country's security goals.

Growth drivers

- The Indian government's 'Make in India' and 'Atmanirbhar Bharat' initiatives have emphasised self-reliance in defence manufacturing. Measures such as reserving specific defence items for domestic suppliers and easing FDI norms have significantly boosted local production.
- Steady increases in defence budget allocations have facilitated the modernisation of the armed forces and the acquisition of advanced technologies thus driving the growth of the domestic defence sector.
- Partnerships between government agencies and private enterprises have accelerated progress in defence technologies, including weaponry, ammunition, aerospace systems and electronics, thereby strengthening domestic manufacturing capabilities.
- International collaborations such as the joint venture between Germany's ThyssenKrupp and India's Mazagon Dock Shipbuilders Ltd for submarine production have advanced technological expertise and scaled-up manufacturing capabilities within the Indian defence industry.

[25]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2098485

Company overview

Established in 1995 in Nagpur, India, Solar Group has emerged as a global leader in industrial explosives and initiating systems. Under the strategic leadership of Mr. Satyanarayan Nandlalji Nuwal, the Company continues to expand into advanced ammunition markets and the space sector, positioning itself at the forefront of innovation in the defense and explosives industries. With our products used in over 90+ countries, Solar Group houses cutting-edge manufacturing facilities across 9 nations. Its portfolio is diverse, featuring industrial explosives, detonators, propellants and innovative defense technologies.

The Company is recognised for its commitment to innovation, exemplified by the introduction of eco-friendly blasting solutions and pioneering products such as the three-layer shock tube, which enhance safety and efficiency in the global mining and infrastructure sectors. These advancements redefine safety and efficiency in the global mining and infrastructure sectors.

Adhering to the highest quality and safety standards, Solar Group holds certifications including ISO 9001:2000, ISO 14001:2004, and OHSAS 18001:2007. A well-integrated logistics network ensures the seamless distribution of products globally. Sustainability remains a fundamental pillar of the Company's vision, with a strong emphasis on environmental responsibility and community engagement. By integrating environmental responsibility into its core strategies, Solar Group balances growth with a positive impact on communities and ecosystems.

Opportunities

Infrastructure growth -
India is steadfast in its pursuit of sustained economic growth exceeding 8%, aiming to develop infrastructure on par with developed nations. The government's visionary 'Developed India by 2047' initiative is propelling significant advancements in the infrastructure sector, with the transformative PM Gati Shakti programme at its core. This comprehensive plan integrates key projects such as Bharatmala for highways, Sagarmala for port-led development, inland waterways, dry/land ports and regional airports under the UDAN scheme. Significant progress has been made in constructing national highways to connect passenger, trade and freight hubs, laying a robust foundation for India's infrastructure advancement by 2047. The PM Gati Shakti initiative has evaluated 208 major infrastructure projects worth ₹15.39 lakh Crores, adhering to its principles of integrated planning and coordinated implementation.[26]

Mining Expansion -
As of 2025, global coal consumption reached a record high of 164 exajoules (EJ), with the Asia-Pacific region, encompassing China, India and Southeast Asia, accounting for approximately 83% of this demand. Notably, China's consumption alone constitutes 56% of the global total, while India's usage has surpassed that of both the United States and the European Union.[27] Looking ahead, the International Energy Agency projects that global coal demand will plateau through CY 2027, with consumption stabilising around 8.87 billion tonnes.[28] While declines are anticipated in advanced economies, this is expected to be offset by growth in emerging markets such as India, Indonesia and Vietnam.

Leveraging Alliances for Strategic Advantage -
Partnering with companies at both local and global levels grants manufacturers invaluable market insights, enabling them to adapt seamlessly to regional and international nuances. These collaborations also act as a bridge to understanding complex regulatory frameworks, ensuring smooth operations in unfamiliar territories. Global alliances, in particular, helps to expand market reach, access advanced technologies and share resources efficiently. By leveraging both local and global expertise, manufacturers can enhance their strategic approach and establish a stronger foothold in diverse markets.

Innovating Custom Solutions for Emerging Markets -
A promising opportunity exists to develop explosive products that are meticulously designed to meet the specific requirements, applications and budget constraints of emerging markets. By focusing on developing advanced, cost-efficient and safer explosive materials, manufacturers can address specific market demands while ensuring enhanced safety standards. Such innovation caters to localised needs, fostering greater accessibility and long-term sustainability in these regions.

India's Ambitious Space Sector Expansion -
The global space sector is experiencing unprecedented growth, with projections estimating its valuation to reach $1.8 trillion by CY 2035.[29] India is actively strengthening its position in this expanding market. The government has set ambitious targets to increase India's share of the global space economy from the current 2% to 10% by CY 2030, and further to 15% by FY 2047.[30] Recognising the significant role of the private sector, the government has introduced initiatives to foster collaboration with over 400 industrial organisations. Notably, the establishment of a ₹10 billion ($119 million) venture capital fund aims to stimulate innovation and investment within the space industry.[31] These strategic efforts lay a robust foundation for the advancement of India's industrial explosives sector, aligning with the nation's broader aspirations in the global space arena.

Government Initiatives to boost Defence Sector -
The Indian government has taken several steps to strengthen the defence sector and promote self-reliance. Through the "Make in India" initiative, India now produces 65% of its defence equipment domestically, reducing reliance on imports. In the financial year 2023-24, defence production reached a record ₹1.27 lakh Crores, with exports hitting ₹23,622 Crores in FY 2024-25. The government has also introduced policies to support private companies, start-ups and small businesses in defence manufacturing, making it easier for them to participate. Initiatives like the MAKE projects and the ADITI scheme provide funding and support for developing new defence technologies. Additionally, two Defence Industrial Corridors have been established in Uttar Pradesh and Tamil Nadu to boost local manufacturing. These efforts aim to make India a global hub for defence production and innovation.[32]

Threats

Stringent Regulations -
The explosives industry is subject to strict government rules. Any changes in these regulations can increase compliance costs and may lead to production delays or penalties if not adhered to properly.

Geo-political Risks -
International tensions, such as trade disputes or conflicts, can disrupt supply chains and affect export operations. For instance, tariffs or sanctions in certain countries may impact the company's ability to conduct business smoothly.

Security Concerns -
Handling explosives inherently carries safety risks. Any accidents can lead to serious consequences, including loss of life, operational shutdowns, and reputational damage. Ensuring strict safety protocols is essential to mitigate these risks.

Raw Material Dependency -
The company relies on specific raw materials like ammonium nitrate. Fluctuations in the availability or price of these materials can affect production costs and profitability.

Economic Cycles -
The demand for explosives is closely tied to industries like mining and construction. Economic downturns in these sectors can lead to reduced demand for the company's products, impacting revenue.

Competition Risk -
Solar Industries faces competition from both local and international players. Competitors with advanced technologies or larger market shares can pose challenges to the company's growth and market position.

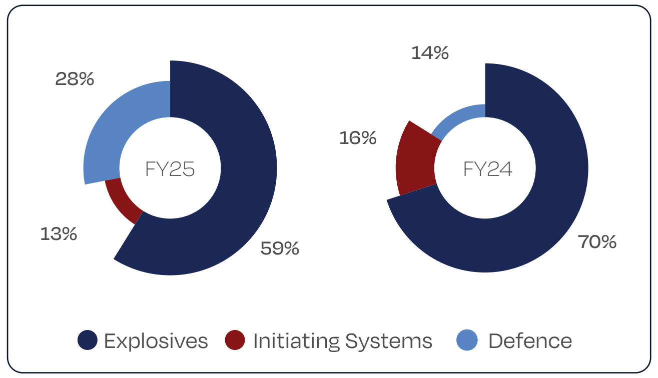
Product wise performance

Product portfolio

Industrial Explosives
- Bulk Explosives
- Packaged Explosives
- Initiating Systems

Defence Products
- High Energy Materials (HMX, RDX, TNT and their compounds)
- Composite Propellants for Akash, Pinaka and Brahmos
- Complete integration of Rockets
- Ammunitions (30mm, 81mm ATAL, 155mm, Multi mode hand Grenade, Mines, Bombs, Warheads, Bund Blasting device)
- Drones and UAV's
- Pyros and Ignitors
- Propellants for Space Applications

Product-wise revenue mix



[26]https://pib.gov.in/PressNoteDetails.aspx?NoteId=153274&ModuleId=3&ref=delhibriefing.in&reg=3&lang=1
[27]https://elements.visualcapitalist.com/visualized-global-coal-consumption-by-region/?
[28]https://www.iea.org/reports/coal-2024/executive-summary
[29]https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth
[30]https://timesofindia.indiatimes.com/city/ahmedabad/india-aims-for-15-share-of-global-space-economy-by-2047-jitendra-singh/articleshow/108249694.cms
[31]https://www.reuters.com/technology/space/india-unveils-10-bln-rupee-venture-capital-fund-space-sector-2024-07-23/
[32]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612

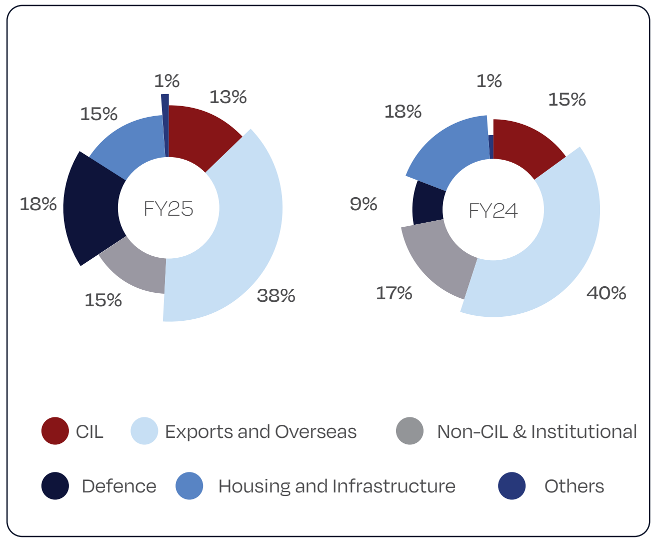
Financial overview

Sr. No.	Key Financial Ratio	FY 2024-2025	FY 2023-2024
1	Debtors' Turnover	**6.67**	6.51
2	Inventory Turnover	**20.86**	15.29
3	Interest Coverage Ratio	**15.50**	12.50
4	Current Ratio	**1.95**	1.76
5	Debt to Equity Ratio	**0.22**	0.34
6	Adjusted Operating Profit Margin (%)	**23.67 %**	20.20%
7	Adjusted Net Profit Margin (%)	**17.08 %**	14.42%
8	Return On Net Worth (%)*	**29.00 %**	25.29%

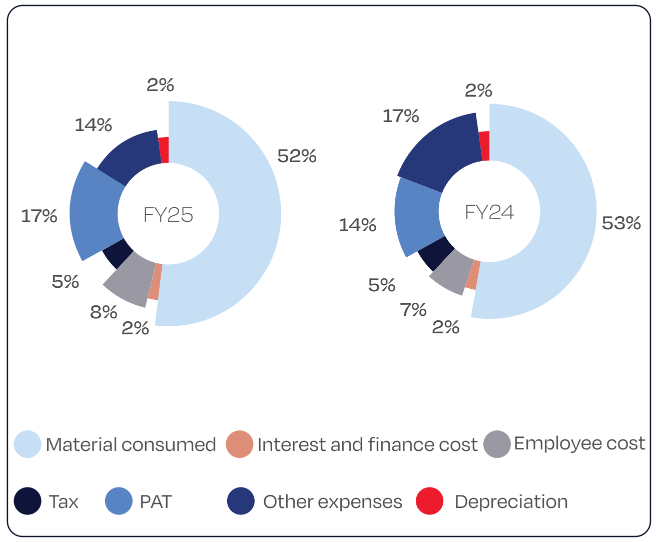
* The increase of 14.67% in the Return on Net Worth is primarily attributable to increase in profits.

1. There is change of 2.46% in Debtors Turnover Ratio FY 2024-25.
2. The Debt to Equity Ratio declined by 35.29% due to the repayment of loans and an increase in retained earnings/ cash generations, strengthening the overall financial position.
3. There were no other significant changes (i.e., changes of 25% or more) in the remaining key financial ratios as compared to the previous financial year.

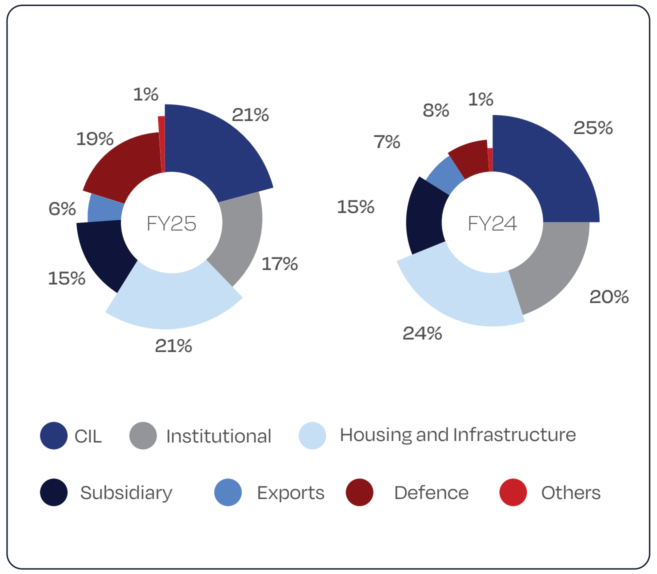
Customer-wise revenue mix (%) [Consolidated]



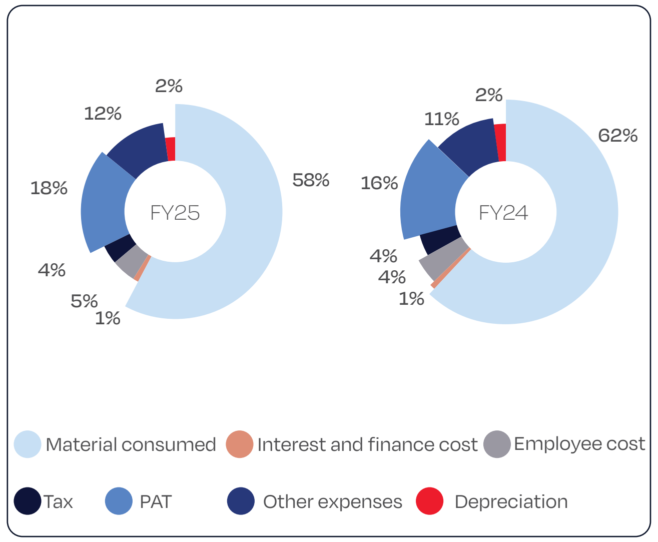
Annual Expenses Breakup (%) [Consolidated]



Customer-wise revenue mix (in%) [Standalone]



Annual Expenses Breakup (%) [Standalone]



Risk Management

Our holistic strategy guarantees adherence to regulations, protects our brand integrity, mitigates negative consequences and positions us to capitalise on emerging opportunities. By adopting a proactive and thoughtful approach, we effectively manage financial challenges, operational hurdles, reputational risks and shifting market conditions. This approach ensures the long-term growth and stability of our business.

Read the details about Risk Management of the Company on Page 48.

Human Resource

Employees are considered the most important asset and pivotal for the Company's growth and success. Solar Industries India Limited promote a conducive, inclusive and collaborative work environment, ensuring that employees feel valued and empowered. The Company also encourage employees with recognition and rewards and organize various training programs to boost their skills and capabilities. The overall industrial relations continued to remain harmonious.

Further details on Human resources form part of the "Human Capital" chapter of the Integrated Report.

Outlook

Looking ahead, Solar Industries is well placed for strong and sustainable growth. The Company is focusing on developing new and advanced defence products, expanding its electronic manufacturing services and strengthening its capabilities through innovation and collaboration with leading organizations. Its growing order book, growing export opportunities and ongoing technology improvements are expected to help the Company reach new markets and serve its customers even better. At the same time, Solar Industries remains committed to conserving resources, reducing emissions and making a positive contribution to society. With these strong foundations, the Company is poised to continue its growth and create value for all its stakeholders in the years to come.

Internal control systems and their adequacy

The Solar Group has instituted comprehensive internal control systems and procedures to effectively oversee its diverse array of business operations. The Company has established clear and well-defined roles and responsibilities for all managerial positions, ensuring a highly organised and efficient corporate structure. To monitor and regulate financial parameters with precision, the Solar Group utilises the SAP ERP software system, which has been tailored to meet the complexities and scale of the Company's operations.

The Audit Committee plays a pivotal role in assessing the sufficiency and effectiveness of these internal controls, offering invaluable insights and recommendations for continual improvement. With a focus on aligning internal processes and controls with industry best practices, the Solar Group upholds a robust Management Information System. The Audit Committee also works closely with statutory auditors to gain their perspectives on the adequacy of the internal control framework, periodically reporting any key observations to the Board of Directors. For the internal audit function, an independent firm of chartered accountants has been appointed to oversee audit activities, with a comprehensive plan that is reviewed annually in collaboration with statutory auditors and approved by the Audit Committee.

The Company has proactively identified potential reporting risks within critical areas of its financial statements and implemented stringent controls to mitigate these risks. These controls are periodically reassessed to account for changes in business dynamics, IT systems, regulations and internal policies. In compliance with Section 177 of the Companies Act 2013 and Regulation 18 of SEBI Regulations 2015, the Audit Committee has confirmed that, as of March 31, 2025, the internal financial controls are deemed to be both adequate and functioning effectively.

Cautionary statements

This document contains forward-looking statements that reflect anticipated future events, as well as the expected financial and operational performance of Solar Industries India Limited. These statements are based on certain assumptions and are inherently subject to risks and uncertainties. There is a significant possibility that the assumptions, projections and other forward-looking statements may not materialise as anticipated. Readers are urged to exercise caution and refrain from placing undue reliance on these statements, as various factors could cause actual outcomes and events to differ substantially from those predicted. Hence, this document is accompanied by a disclaimer and is fully subject to the assumptions, qualifications and risk factors discussed in the Management's Discussion and Analysis section of Solar Industries India Limited's Annual Report for the financial year 2024-2025.

Board's Report

Dear Members,

Your Board of Directors (Board) have pleasure in presenting the 30th 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, 2025.

1. Financial Highlights

The Company's Financial Performance (Standalone & Consolidated) for the Financial Year ended March 31, 2025 is summarised below.

(₹ in Crore Except EPS)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	4456.60	3717.52	7540.26	6069.52
Other Income	83.75	58.34	70.83	44.47
Less: Expenditure	3359.49	2882.86	5579.90	4700.31
Profit before Depreciation, Amortization, Finance Costs, Exceptional Items and Tax Expense (Operating profit)	1180.86	893.00	2031.19	1413.68
Less: Finance Costs	28.93	29.58	116.50	109.37
Profit before Depreciation, Amortization, Exceptional Items & Tax Expense	**1151.93**	**863.42**	**1914.69**	**1304.31**
Less: Depreciation and Amortization expense	74.64	63.37	181.50	143.38
Profit before Tax Expense & Exceptional item	**1077.29**	**800.05**	**1733.19**	**1160.93**
Less: Exceptional item	-	-	-	-
Profit before Tax (PBT)	**1077.29**	**800.05**	**1733.19**	**1160.93**
Share of Profit/(Loss) of associates	-	-	5.55	0.35
Less: Tax Expense	274.18	203.75	450.81	286.05
Profit for the year	**803.11**	**569.30**	**1287.93**	**875.23**
Other Comprehensive Income (Net of Tax)	(5.70)	55.11	(65.00)	(171.79)
Total Comprehensive Income	**797.41**	**651.41**	**1222.93**	**703.44**
Balance of profit for earlier years	1294.01	870.10	2392.53	1681.50
Less: Transfer to Reserves	100.00	100.00	109.09	101.42
Less: Dividend paid on Equity Shares	76.92	72.39	76.92	72.39
Add/(Less) other adjustment	5.70	(55.11)	(9.71)	181.40
Balance carried forward	1920.23	1294.01	3419.74	2392.53
Earnings Per Share (EPS)	88.75	65.90	133.65	92.38

Results of Operations

In the financial year 2024-25, the Company has achieved impressive financial results with robust revenue growth, improved profitability and healthy cash flows which has enabled us to expand our operations. Our top line growth has been driven by successful market penetration and effective product innovation. At the same time, our bottom-line performance has benefited from careful cost management and improved operational efficiency. As a result, our Company is well positioned for sustainable growth and continued success in the future.

Highlights of the Company's performance (Standalone) for the year ended March 31, 2025 are as under:

During the year under review the Company achieved turnover of ₹ 4456.60 Crore as against turnover of ₹ 3717.52 Crore achieved during the previous year, which is an increase of 19.88 %.

- The Profit before Depreciation & Tax (PBDT) for the financial year 2024-25 is ₹ 1151.93 Crore against ₹ 863.42 Crore in the year 2023-24.
- Earnings per Share as on March 31, 2025 are ₹ 88.75 against ₹ 65.90 was on March 31, 2024.
- The net worth of the Company stands at ₹ 3066.96 Crore at the end of financial year 2024-25 as compared to ₹ 2346.47 Crore at the end of financial year 2023-24.

Highlights of the Company's performance (Consolidated) for the year ended March 31, 2025 are as under:

- During the financial year ending on March 31, 2025 the Company achieved turnover of ₹ 7540.26 Crore as against turnover of ₹ 6069.52 Crore achieved during the previous year, which is a significant increase in turnover by 24.23 %.

- The Profit before Depreciation & Tax (PBDT) for the financial year 2024-25 is ₹ 1,914.69 Crore against ₹ 1,304.31 Crore in the year 2023-24.
- Earnings Per Share as on March 31, 2025 is ₹ 133.65 vis a vis against ₹ 92.38 as on March 31, 2024.
- The net worth of the Company stands at ₹ 4386.34 Crore at the end of financial year 2024-25 as compared to ₹ 3,305.60 Crore at the end of financial year 2023-24.

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 ₹ 1920.23 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 20, 2025 has recommended payment of ₹ 10 /- per equity share i.e. 500% of the face value of ₹ 2 each as final dividend for the financial year ended March 31, 2025.

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 2024-25 would aggregate to ₹ 90.49 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/DividendDistributionPolicy. 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 8 wholly owned subsidiaries, 28 step-down subsidiaries and 3 Associate Companies as on March 31, 2025. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

During the period under the review, the Company has incorporated a wholly owned Subsidiary named Solar Aerospace Limited on June 10, 2024.

During the year under review, the Company, through its South African step-down subsidiary i.e. Solar Mining Services Pty Limited, South Africa (SMS SA), has acquired 43% of ordinary shares and 79.65% of Preference shares in "Problast BS (Pty) Ltd" South Africa with effect from July 1, 2024.

Pursuant to the approved scheme of amalgamation by National Company Law Tribunal ('NCLT'), Mumbai on September 04, 2024, Rajasthan Explosives and Chemicals Limited ('RECL') (step down subsidiary of the Company) is merged with Emul Tek Private Limited ('ETPL') (wholly owned subsidiary of the Company), with effect from the October 17, 2024

During the period under the review, Economic Explosives Limited, one of its wholly owned subsidiary has changed its name to "Solar Defence and Aerospace Limited" with effect from February 17, 2025.

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, 2025 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

Solar Defence and Aerospace Limited (*formerly known as Economic Explosives Limited*) and Solar Overseas Mauritius Limited 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, 2025 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 shares with Differential Voting Rights.

Employee Stock Options

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

Non-Convertible Debentures

During the Financial year 2024-25 under review, the Company had partially redeemed 200 (Two Hundred) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 10,00,000/- (Ten lakh) each amounting to 20.00 Crore (Twenty Crore) and made an Interest Payment amounting to ₹ 2.25 Crore at a coupon rate of 8.20% per annum in the FY 2024-25.

During the Financial year 2024-25 under review, the Company had partially redeemed 1168 (One thousand One Hundred and Sixty Eight) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 1,00,000/- (One lakh) each amounting to 11.68 Crore (Eleven crore and Sixty Eight lakh) and made an Interest Payment amounting to ₹ 2.53 Crore at a coupon rate of 8.31% per annum in the FY 2024-25.

As on the March 31, 2025, the outstanding amount of NCD is ₹ 38.32 Crore.

Commercial Papers

During the Financial year 2024-25, the Company has redeemed the Commercial papers on :-

1. December 11, 2024 amounting to ₹ 50 Crore (Rupees Fifty Crore) which was issued on September 12, 2024.
2. February 27, 2025 amounting to ₹ 75 Crore (Rupees Seventy-Five Crore) which was issued on November 29, 2024.
3. March 12, 2025 amounting to ₹ 75 Crore (Rupees Seventy-Five Crore) which was issued on December 12, 2024.
4. March 27, 2025 amounting to ₹ 75 Crore (Rupees Seventy-Five Crore) which was issued on February 20, 2025.

Borrowings

The Company has not defaulted in 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 in the 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. 48 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 ₹ 59,388.00/- relating to financial year 2016-2017 (Final Dividend). The details of unpaid/unclaimed dividend transferred to IEPF Authority are available on the Company's website www.Solargroup.com.

Further 10 (Ten) 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 16, 2024, August 6, 2024, November 13, 2024, February 5, 2025 and March 20, 2025

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.

18. Board Diversity

The Board comprises of an 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), 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 the Internal Complaints Committee and has complied with all the provisions of constitution of Committee for various workplaces 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 Suresh Menon 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 30th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Suresh Menon who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the notice calling 30th Annual 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. 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.

c. Key Managerial Personnel

The Key Managerial Personnel of the Company as on March 31, 2025 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 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/NRPolicy.

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, 2025 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 2024-25, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Director(s) and Company Secretary during the financial year 2024-25 is as follows:

Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2024-25
Shri Manish Nuwal	Managing Director & CEO	137	25%
Shri Suresh Menon	Executive Director	34	49%
Shri Milind Deshmukh	Executive Director	25	11%
Shri Moneesh Agrawal	Joint Chief Financial Officer	13	12%
Smt. Shalinee Mandhana	Joint Chief Financial Officer	11	22%
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	7	13%

Note:

1. The Non-Executive Independent Directors of the Company were only paid sitting fees for attending Board and Committee meetings.
2. There was 22.00% increase in remuneration of Director and KMP in the financial year 2024-25.

b. The percentage increase in the median remuneration of employees in the financial year: 9.7%

c. The number of permanent employees on the rolls of Company: 2403

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 and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in the salaries of employees excluding Key Managerial Personnel for the FY 2024-25 was 12.27 %, whereas there is an increase in the remuneration of Key Managerial Personnel by 22.00%. The increase in the Managerial remuneration is due to higher eligible profits.

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 2024-25 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 the 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 is 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. The 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 relations 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, 2025 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 2024-25 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 Deepak Khanuja & Associates, Nagpur has carried out the cost audit for applicable products during the financial year 2024-25.

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 2025-26. 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 30th Annual General Meeting of the Company and the same is recommended for approval of Members.

The Cost Audit Report for the financial year 2024-25 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 2025-26.

Secretarial Auditors

The Secretarial Audit for the year 2024-25 was undertaken by M/s. Vinod Kothari & Company., practicing Company Secretaries, having Unique Code:- P1996WB042300, the Secretarial Auditor of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2025 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 2024-25, does not contain any qualification, reservation, or adverse remark.

The Board of Directors has appointed M/s. Vinod Kothari & Company, practicing Company Secretary having Unique Code:- P1996WB042300 to conduct the secretarial audit of the Company for a period of Five (5) consecutive years commencing from the 30th Annual General Meeting till the conclusion of 35th Annual General Meeting and the same is recommended for approval of Members.

They have consented and confirmed their eligibility for the appointment.

A resolution seeking member's approval for the appointment of Secretarial Auditor forms part of the Notice convening 30th Annual General Meeting of the Company.

33. Corporate Social Responsibility

The Company continues its endeavour to prove the lives of people and provide opportunities for their holistic development through its different initiatives by way of Promoting Education, Promoting Healthcare, Empowerment of Women, Environment Sustainability, Rural Development, Protection of National Heritage, Art & Culture.

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. 113.

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

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, 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 third Business Responsibility & Sustainability Report for the year 2024-25, in compliance with 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 2024-25 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, 2025.

39. 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, 2025, 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, 2025 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, 2025 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.

40. Other Disclosures

i. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime 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.

41. CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2024-25 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 20, 2025 and is also forms a part of this Annual Report.

42. Appreciation & Acknowledgement

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

For and on behalf of the Board

	Sd/-	Sd/-
Place : Nagpur	**Manish Nuwal**	**Milind Deshmukh**
Date : May 20, 2025	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

Place : Nagpur
Date : May 20, 2025

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Annexure 'B1'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To,
The Members,
Solar Industries India Limited
(CIN: L74999MH1995PLC085878)

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"**) for the financial year ended March 31, 2025 (**"period under review"**). 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, as listed in **Annexure II**, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 (**'the Act'**) and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 (not applicable during the period under review);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**), to the extent applicable:
   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**'PIT Regulations'**);
   d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**'ILNCS Regulations'**);
   e. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (**'DT Regulations'**)
   f. The Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; and
   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.
6. Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024 and applicable operating guidelines issued by Fixed Income Money Market and Derivatives Association of India;

We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

a. The Indian Boilers Act, 1923;
b. The Standards of Weights and Measures Act, 1985;
c. The Explosives Act, 1884;
d. The Environment (Protection) Act, 1986;
e. The Water (Prevention & control of pollution) Act, 1974
f. The Air (Prevention and Control of Pollution) Act, 1981;
g. The Legal Metrology Act, 1999;
h. The Public Liability Insurance Act, 1991;

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

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

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for best corporate practice with regard to related party transactions, PIT Regulations, corporate social responsibility, statutory registers etc. to the compliance team for its necessary consideration and implementation by the Company.

We further report that:

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

Adequate notice is given to all directors to schedule the Board and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in case of meetings convened at a shorter notice, 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 the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings recorded as part of the minutes.

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

We further report that during the period under review, the Company has not undertaken any specific events/ actions having a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. **Partial redemption of Non-Convertible Debentures (NCDs):**

   During the period under review, the Company partially redeemed the unsecured, rated, listed, senior, redeemable NCDs (ISIN INE343H08016 and INE343H08024) as per the terms of the issue, amounting to Rs. 31.67 crores.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559G000204390
Peer Review Certificate No.:4123/2023

Place: Mumbai
Date: April 25, 2025

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I

Annexure to Secretarial Audit Report (Non-Qualified)

To,
The Members,
Solar Industries India Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Signed Minutes for the meetings of the following held during the period under review -

   a. Board of Directors dated May 16, 2024; August 06, 2024; November 13, 2024; February 05, 2025 and March 20, 2025 (draft minutes);

   b. Audit Committee dated May 16, 2024; August 06, 2024; November 13, 2024; February 05, 2025 and March 20, 2025 (draft minutes);

   c. Nomination and Remuneration Committee dated Minutes of the meetings dated May 16, 2024 and November 13, 2024;

   d. Risk Management Committee dated April 22, 2024 and October 16, 2024.

   e. Corporate Social Responsibility Committee dated May 16, 2024; August 06, 2024; November 13, 2024 and February 05, 2025.

   f. Stakeholders' Relationship Committee dated May 16, 2024; August 06, 2024; November 13, 2024 and February 05, 2025.

   g. Investment Committee dated Minutes of the meetings dated July 02, 2024

   h. Executive Committee dated April 03 & 26, 2024; May 17 & 28, 2024 June 28, 2024; July 09, 2024; August 31, 2024; September 09, 24, and 25, 2024, October 08 & 16, 2024; November 04, 16 & 25, 2024 and December 04 & 26, 2024.

   i. Meeting of Independent Directors held on January 08, 2025.

2. Proceedings of Annual General Meeting dated July 18, 2024 & postal ballot results dated July 16, 2024;

3. Terms of reference ('TOR') of Committees

4. Agenda papers for Board and Committee Meetings along with notice on a sample basis;

5. Proof of Circulation of draft & final minutes for meeting held during the period under review;

6. ROC Forms including IEPF forms filed during the review period;

7. CSR related documents viz. Annual Action Plan, CFO certificate, Computation of net profit under section 198;

8. PIT Regulations related documents incl. annual declaration obtained from DPs, intimation of trading window closure to DPs;

9. License and registrations under laws specifically applicable to the Company;

10. FEMA compliances undertaken during the review period.

11. Annual report 2024, financials filed with the stock exchange during the review period;

12. Policies and codes framed under the Act, Listing Regulations, PIT Regulations.

13. Statutory Registers maintained under the Act.

Annexure 'B2'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To,
The Members,
Solar Defence and Aerospace Limited
(formerly known as Economic Explosives Limited)
(CIN: U24292MH1995PLC091808)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Solar Defence and Aerospace Limited** (formerly Economic Explosives Limited) (hereinafter called **"the Company"**) for the financial year ended March 31, 2025 (**"period under review"**) in terms of the Audit Engagement Letter dated July 23, 2024. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/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 as listed in **Annexure II** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 (**'the Act'**) and the rules made thereunder including any re-enactment thereof;

   We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

   a. The Indian Boilers Act, 1923;

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

   c. The Explosives Act, 1884;

   d. Legal Metrology Act, 2009;

   e. The Public Liability Insurance Act, 1991;

   f. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

   g. The Environment (Protection) Act, 1986;

   h. The Water (Prevention and Control of Pollution) Act, 1974;

   i. Air (Prevention and Control of Pollution) Act, 1981;

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

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

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for best corporate practice with regard to related party transactions, corporate social responsibility, statutory registers etc. to the compliance team for its necessary consideration and implementation by the Company.

We further report that:

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

Adequate notice is given to all directors to hold the Board and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in cases where the meetings were held at shorter notice, 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 the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings.

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

We further report that during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. **Change of name of the Company and consequential alteration of the Memorandum and Articles of Association:**

   During the period under review, the name of the Company has been changed from 'Economic Explosives Limited' to 'Solar Defence and Aerospace Limited' pursuant to shareholder's approval obtained in the Extraordinary General Meeting held on January 31, 2025. The Memorandum and Articles of Association of the Company were altered consequentially. Fresh certificate of incorporation was received from the Ministry of Corporate Affairs on February 17, 2025.

2. **Approval under Section 185 the Act for grant of loan to Solar Industries India Limited:**

   During the period under review, the Company obtained prior approval from shareholders by way of special resolution for grant of loan of upto Rs. 300 crores to Solar Industries India Limited, the holding company and a person in whom the directors of the Company are interested, in the Extraordinary General Meeting held on March 24, 2025 based on the approval and recommendation from the Audit Committee and Board of the Company.

3. **Increase in limits under Section 186 of the Act:**

   During the period under review, the Company obtained prior approval from shareholders by way of special resolution to give any loan, give guarantee, or provide security in connection with a loan to any other body corporate or person for an amount not exceeding Rs. 2000 crore, in the Extraordinary General Meeting held on March 24, 2025

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Joint Managing Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559G000240954
Peer Review Certificate No.:4123/2023

Place: Mumbai
Date: April 30, 2025

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I

Annexure to Secretarial Audit Report (Non-Qualified)

To,
The Members,
Solar Defence and Aerospace Limited
(formerly known as Economic Explosives Limited)

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.

7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure I

List of Documents

1. Signed Minutes for the meetings of the following held during the period under review -
   a. Board of Directors dated May 11, 2024, August 06, 2024, November 13, 2024, February 05, 2025 and March 20, 2025 (draft minutes);
   b. Audit Committee dated May 11, 2024, August 06, 2024, November 11, 2024, February 02, 2025 and March 20, 2025 (draft minutes);
   c. Nomination and Remuneration Committee dated Minutes of the meetings dated May 11, 2024;
   d. Corporate Social Responsibility Committee dated May 11, 2024, August 06, 2024, November 11, 2024 and February 05, 2025;
   e. Executive Committee dated April 5, 2024, April 18, 2024, June 20, 2024, July 15, 2024, July 25, 2024, August 13, 2024, September 06, 2024, September 20, 2024, October 03, 2024, November 04, 2024, November 16, 2024, December 10, 2024, January 02, 2025, January 15, 2025, February 20, 2025 and March 24, 2025.
2. Proceedings of Annual General Meeting dated June 21, 2024 and Extraordinary General Meeting dated January 31, 2025 and March 25, 2025;
3. Agenda papers for Board and Committee Meetings along with notice on a sample basis;
4. Proof of Circulation of draft & final minutes for meeting held during the period under review;
5. Attendance register of Board and Committee meetings on a sample basis;
6. Terms of reference ('TOR') of all Committees;
7. Agenda papers for Board and Committee Meetings along with notice on a sample basis;
8. Proof of Circulation of draft & final minutes for meeting held during the period under review;
9. ROC Forms including IEPF forms filed during the review period;
10. CSR related documents viz. Annual Action Plan, Computation of net profit under section 198;
11. License and registrations under laws specifically applicable to the Company;
12. Annual Report for FY 2023-24;
13. Statutory Registers maintained under the Act;
14. Disclosures received from directors under the Act;
15. ROC Forms filed during the review period;
16. Resolution passed by circulation along with proof of assent or descent received from directors;

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 Education
2. Promoting Healthcare
3. Empowerment of Women
4. Environment Sustainability
5. Rural Development
6. Protection of National Heritage, Art & Culture.
7. Animal Welfare

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 Satyanarayan Nuwal	Chairman/Non-Executive Director	4	3
2.	Shri Manish Nuwal	Member/Executive Director / MD & CEO	4	4
3.	Shri Jagdish Belwal	Member/ Non-Executive Independent Director	4	4

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

https://bit.ly/SRPolicy

4. The executive summary along with the 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. 8.59 Crore. Hence, the impact assessment is not applicable to the Company.

5. (a) Average net profit of the Company as per section 135(5): **₹ 590.22 Crore**

(b) Two percent of average net profit of the company as per section 135(5): **₹ 11.80 Crore**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **₹ 0.31 Crore**

(d) The amount required to be set off for the financial year, if any: **₹ 0.31 Crore**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 11.80 Crore**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 32.45 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)]: **₹ 32.46 Crore**

(e) CSR amount spent or unspent for the financial Year 2024-2025:

Total amount Spent for the Financial Year (in Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 32.46 Crore	NA	NA	NA	NA	NA

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

Sr. No.	Particular	₹ (in Cr.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 11.80
(ii)	Total amount spent for the Financial Year	₹ 32.46
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 20.66
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 0.31
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 20.35

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 ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	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 ₹)	Deficiency, If any
					Amount (in ₹)	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

If Yes, enter the number of Capital assets created/ acquired

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

Sl. 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.

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.

The Company spent around 2.10 Crore as capital investment on energy conservation equipment during FY 2024-25.

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.

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. 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.
- Vapor absorption Chiller machine (VAM) is Installed which results in saving of energy.
- Retrofit Emission Control Device (RECD) installed in Diesel generator to reduce 70% Diesel Particulate Matter (DPM) emissions, made operational in 5 no. DG-Sets.

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 Defense 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.
- Adopting vision-based technology including artificial intelligence & machine learning techniques for foreign object detection (FOD) in our finished products before packaging.
- Adopting condition-based monitoring (CBM) & thermal imaging in our critical & safety integration processes for early detecting the abnormalities & reducing risk.
- 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 Systems.
- Reduction in Wastage
- Additional Multi effect evaporator for Effluent treatment.

d) Expenditure on R&D

(₹ In Crore)

Sr. No.	Particulars	2024-25
1	Capital	-
2	Recurring	1.40
3	Total	1.40
4	R&D Expenditure percentage of Turnover	0.02

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Crore)

Sr. No.	Particulars	2024-25
a	Earnings in Foreign Exchange	1601.40
b	Outgo in Foreign Exchange	644.42

Place : Nagpur
Date : May 20, 2025

For and on behalf of the Board

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Report on Corporate Governance

This report is prepared in accordance 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 ("SOLAR "or "The Company")

1. COPORATE GOVERNANCE FRAMEWORK:

1.1. Company's Philosophy on Code of Corporate Governance:

SOLAR is committed in upholding strong Corporate Governance practices, which promote ethical and efficient management of the Company's operations in a transparent and fair way. SOLAR's commitment to governance is reflected in its continuous efforts to build and refine processes and systems that enhance the corporate governance framework. We are dedicated in institutionalising the best practices and setting up robust systems that ensure accountability, transparency, and fairness in all transactions and dealings. While the philosophy of your Company on governance has been set out since early days, the framework is broad-based to enable the Company to cater to the dynamic needs of the society.

These corporate governance practices play a key role in maximizing the value for all the Stakeholders, including but not limited to the Shareholders, Customers, Employees, Contractors, Vendors and the Broader Community. Good Corporate Governance practices foster an environment of trust and confidence among all the Stakeholders of the 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 true stakeholder value.

At SOLAR, it is believed that Corporate Governance is not merely a destination, but an ongoing journey focused on continuously enhancing sustainable value creation. We believe that the only way a business will prosper is by making a positive difference to the challenges that the world faces. Your Company strives to uphold good corporate governance principles to ensure high levels of transparency, integrity, and accountability in its operations globally, all of which are crucial for achieving our Vision of becoming a Global Leader in the manufacturing of industrial and military explosives and an innovative solution provider with a focus on safety, quality and reliability.

SOLAR is committed in protecting the environment by prioritizing sustainable growth. Environmental, Social and Governance (ESG) factors are fundamental for our long-term success and resilient value creation. We believe that sustainability depends upon the judicious and effective use of the available resources. Your company consistently evaluate and improve operational efficiency and apply effective strategies across all facilities in order to minimize environmental impact.

At SOLAR, it is believed that effective leadership, robust corporate governance practices and a rich legacy of values forms the hallmark of our best corporate governance practices. The culture, business practices, disclosure policies and relationship with our stakeholders at SOLAR demonstrates these values. These ethics and values are practised by SOLAR and its subsidiaries, globally, which is at par with best standards of good corporate governance.

1.2. Corporate Governance Policies:

At SOLAR, Corporate Governance is driven by strong Board governance processes, effective internal control systems, and comprehensive audit mechanisms. These are defined through the Company's governance policies, Codes of Conduct, Charters for the Board's Committees, and transparent disclosure and reporting practices. We believe that business conduct is ethical only when it is built upon the six core pillars of corporate governance. SOLAR's Corporate Governance policies and processes are grounded in these foundational pillars:

- **Transparency –** Open sharing of information to build trust.
- **Accountability –** Holding individuals responsible for their actions.
- **Fairness –** Treating all stakeholders equitably.
- **Responsibility –** Acting with consideration for social and ethical impacts.
- **Independence –** Ensuring unbiased decision - making.
- **Ethical Conduct –** Upholding integrity and honesty in all business practices

At SOLAR great importance is assigned to our policies, which serves as a guide for management, employees and stakeholders in upholding ethical, transparent, and sustainable practices. We believe in regularly updating these policies based on legal requirements, feedback from stakeholders, emerging workplace trends, and the best adopted global practices. To successfully implement the Corporate Governance practices and strengthen the pillars of governance within the SOLAR your Company has established a set of clear and comprehensive policies which include, but are not limited to, the following:

- 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 Director, 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 workplace
- Policy on Environment, Health and Safety
- Policy on Disclosure of Material Events
- Policy on the establishment of a 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
- Cyber Security Policy
- Anti-Bribery Policy and Anti- Corruption Policy

1.3. Corporate Governance Practices

SOLAR strives for highest Corporate Governance practices. To facilitate this, the Company has introduced "Compliance Module" throughout the organization, ensuring compliance with all applicable laws that impact its operations. The Compliance Module features real-time monitoring of compliance and risks, automated reports and certificates, immediate updates on legal and regulatory changes, a detailed dashboard, and role-based access. Users of Compliance module are mandated to undergo training at regular intervals. Additionally, the Stakeholders' Relationship Committee and the Board of the Company conduct quarterly reviews of all securities-related filings with the Stock Exchanges.

1.4. Corporate Governance Structure

The Company has established an internal multi-tier governance structure, with clearly defined roles and responsibilities for each component of the system. 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 the Board of Directors.
- Governance by the Committees of Board of Directors.
- Governance by the Shareholders.
- Governance through the Management Process.

2. FIRST LAYER GOVERNANCE BY BOARD OF DIRECTORS:

2.1 Role of Board of Directors in the Corporate Governance

The Board of Directors has a fiduciary responsibility to ensure the Company's activities and objectives are aligned with sustainable growth and the creation of long-term value. Additionally, the Board offers strategic guidance, assesses and approves management's business strategies, and monitors risk management efforts. Every decision and action taken by the Board is centred around the best interests of the Company. Therefore, Solar's Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience.

The Board also holds management accountable for fostering long-term, sustainable growth to meet the expectations of stakeholders. It further sets corporate conduct standards and ensures compliance with relevant laws and regulations that influence the Company's operations.

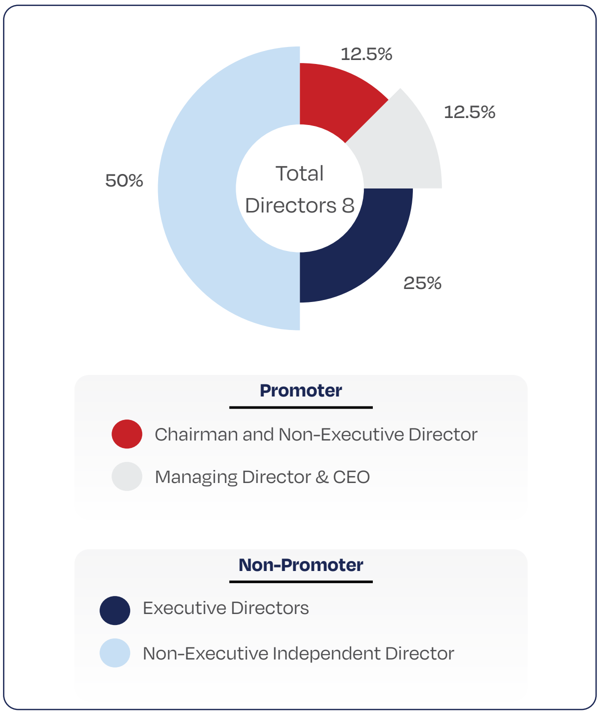
2.2 Composition of Board

A truly diverse Board will leverage differences in thought, perspective, industry experience, cultural and geographical background, 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) SEBI Listing Regulations 2015 and provisions of the Act, your Company's Board has an optimum combination of Executive and Non-Executive Directors, including participation of Women Director on Board.

BOARD COMPOSITION



The Directors, as a group of competent individuals 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. and works cohesively to co-create SOLAR's vision a reality along with management. The Board of Directors and Nomination and Remuneration Committee, as part of its succession, planning, exercise periodical reviews of its composition to ensure that the same is closely aligned with the strategy and long-term objectives of the Company.

2.3 Board Procedures and flow of information to the Board/Board Support

The Board meets at regular intervals to discuss and decide on Company's Business, policies 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 in compliance with the Companies Act, 2013. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company as and when required. 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 the Board Meeting is given well in advance to all the Directors. The Agenda and Pre-reads are circulated before each meeting to all the Directors to facilitate 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 Board 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 during 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 and hence the Company provides video conference facility as permitted by the Law to enable their effective participation in all the meetings.

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 Joint Chief Financial Officer 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 of 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 is 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 the 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 meeting 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 2024-25, the Board of Directors met 05 (Five) Times i.e. May 16, 2024, August 06, 2024, November 13, 2024, February 05, 2025 and March 20, 2025. The necessary quorum was present for all the meetings.

The maximum interval gap between any two meetings did not exceed 120 days. During the year, the Board also transacted some of the business by passing resolutions by circulation as permitted by law, which were noted and confirmed in the subsequent Board Meeting.

Flow of Information to the Board:

The Board has complete access to all Company-related information including to members of the management. 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 determines 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.

2.4 Independent Directors:

Separate Meetings of Independent Directors

During the year under review, 02 (Two) separate meetings of the Independent Directors were held on January 08, 2025 and March 28, 2025 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 at the meeting and they 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 Directors' 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

Familiarization Program of Independent Directors

Your Company has designed a Familiarization Programme for its Independent Directors which is imparted at the time of the appointment of an 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 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/FPIDPolicy

Declarations by Independent Directors

Independent Directors are 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 Companies Act, 2013 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 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 participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law.

Based on the intimations/disclosures received from the Directors periodically, none of the Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) and Director in more than 07 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 03 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 05 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 the Nomination and Remuneration Committee the Board have considered and approved the following:

1. 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 01, 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.

   In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated May 16, 2024 seeking the approval of Members of the Company by way of Special Resolution for appointment of Shri Dinesh Kumar Batra (DIN: 08773363) as a Non- Independent Director of the Company.

   The Special Resolution as contained in the Notice of Postal Ballot dated May 16, 2024 failed to get the requisite majority.

   However, Pursuant to sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), 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 the light of the above, Shri Dinesh Kumar Batra (DIN: 08773363) shall be deemed to be appointed as an Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

Governance Code:

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies the changes during the year, if any. 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 by not participating in the said agenda item (s).

Details of Directors and their attendance records for the Board Meetings and Annual General Meeting held during the Financial Year 2024-25

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	4/5	80%	Present
2.	Shri Manish Nuwal	00164388	Managing Director and CEO	4/5	80%	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 Belwal	08644877	Non-Executive Independent Director	5/5	100%	Present
7.	Smt. Rashmi Prasad	10329445	Non-Executive Independent Director	4/5	80%	Present
8.	Shri. Dinesh Kumar Batra[1]	08773363	Non-Executive Independent Director	4/5	80%	Present

Notes:

1. Appointed with effect from April 01, 2024.
2. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. 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.

2.5 Confirmation from the Board

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

2.6 Profile of the 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, 2025:

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (Including SOLAR)	Chairmanship in committees of Board (Including SOLAR)	Membership in committees of Board (Including SOLAR)
1.	Shri Satyanarayan Nuwal	Chairman and Non-Executive Director	2	-	-
2.	Shri Manish Nuwal	Managing Director and CEO	6	-	3
3.	Shri Suresh Menon	Executive Director	4	-	1
4.	Shri Milind Deshmukh	Executive Director	2	-	-
5.	Shri Natrajan Ramkrishna	Non-Executive Independent Director	8	3	2
6.	Shri Jagdish Belwal	Non-Executive Independent Director	1	1	1

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (Including SOLAR)	Chairmanship in committees of Board (Including SOLAR)	Membership in committees of Board (Including SOLAR)
7.	Smt. Rashmi Prasad	Non-Executive Independent Director	1	-	1
8.	Shri Dinesh Kumar Batra[1]	Non-Executive Independent Director	4	1	2

Notes:

1. Appointed with effect from April 01, 2024.
2. Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies and Foreign Companies.
3. Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Relationship Committee.
4. 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, 2025.

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

The Board comprises of qualified and experienced members from diverse background who possess the required skills, expertise, and competencies that allow them to make effective contributions to the Board, its committees and in the right direction for effective decision making. The following skills/ expertise/competencies have been identified for the effective functioning of the Company, and are currently available with the Board:

Global Business Knowledge	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 & Management	Leadership experience including in areasw 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 distinguished second-generation entrepreneur and industrialist, recognized for exceptional financial acumen and management capabilities. Possesses strategic insight and extensive experience in directing and empowering management teams to make informed decisions amid uncertainty.	-
3.	Shri Suresh Menon	Comprehensive understanding of the Explosives Industry, with insights into both domestic and international sectors, enhancing competitive advantage.	-
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-one years of experience in the accounting profession, specializing in Generally Accepted Accounting Principles (GAAP), IFRS, IndAS, and Auditing, ensuring compliance and financial integrity.	Stove Kraft Limited (Non-Executive Independent Director)

Sr. No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
6.	Shri Jagdish Belwal	He is a transformational CIO turned entrepreneur. He has led technology and anchored business transformations in large organisations.	-
7.	Smt. Rashmi Prasad	An accomplished professional with over thirty-eight years of experience, specializing in Banking, Crisis Management, Training, and Policy Making, contributing to organizational resilience and growth.	-
8.	Shri Dinesh Kumar Batra	A rich background spanning over Thirty-Nine years in various aspects of Management including Marketing, Finance, Accounts, Corporate Governance, and Risk Management, he held the esteemed position of Chairman & Managing Director of Bharat Electronics Limited at the time of his retirement in October 2022.	1. Som Distilleries Breweries & Wineries Limited (Non-Executive Independent Director) 2. Precision Electronics Limited (Non-Executive Independent Director)

Notes:

1. As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. 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.

2.8 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 w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. 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.

2.9 Number of shares and Non-Convertible Instruments held by Non-Executive Director

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director of the Company, holds 32,38,254 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.

2.10 Directors Shareholding as on March 31, 2025:

Sr. No.	Name of Directors	No. of Equity Shares held	% to the paid-up share capital of the Company
1.	Shri Satyanarayan Nuwal	32,38,254	3.58%
2.	Shri Manish Nuwal	3,52,32,069	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, 2025, no equity shares were held by any of 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 w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. 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 2,08,82,963 equity shares in the Company.

2.11 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 as Annexure - A and forms part of the Annual Report of the Company.

2.12 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.

2.13 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 2024-25:

As an outcome of the performance evaluation, the Board noted the following:

1. The Board, in its entirety, operates effectively, possessing the essential skill sets to govern the Company with confidence and competence.
2. Sufficient number of Board meetings are held, each of appropriate duration, fostering an environment that promotes open communication, meaningful participation, and thorough consideration of key issues. Agendas are circulated well before the Board/Committee(s) Meeting along with all the relevant information to take decision on the respective matter.
3. The Board of Directors excels in establishing a robust Corporate Governance framework that not only empowers the Board to fulfil its responsibilities but also facilitates a clear and transparent process for disclosure and communication.
4. The Committees have successfully met their roles and responsibilities as outlined in their Charters and in compliance with applicable laws, ensuring that governance standards are upheld

The Board evaluation is carried out in a confidential manner through a questionnaire having qualitative parameters and feedback based on ratings. The Directors expressed their satisfaction with the evaluation process. By prioritizing these elements, the Board can continue to strengthen its governance practices and maintain its commitment to excellence in corporate governance.

3. SECOND LAYER COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees play a crucial role in the Governance Structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The Board Committees play a vital role in ensuring sound corporate governance practices. 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 Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, 2015. The Audit Committee of the Board comprises of 04 (Four) members as of March 31, 2025. All Members of the Audit Committee are financially literate.

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.	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
3.	Approving payment to statutory auditors, including cost auditors for any other services rendered by them.	P
4.	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/Qualification (s) in draft audit report.	A
5.	Reviewing with the management, the quarterly financial statements before submission to the Board for approval.	Q
6.	Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.	Q
7.	Approval or any subsequent modification of transactions of the Company with related parties.	P
8.	Scrutiny of inter-corporate loans and investments.	Q
9.	Valuation of undertakings or assets of the Company, wherever it is necessary.	P
10.	Evaluation of internal financial controls and risk management systems.	A
11.	Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems	P
12.	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
13.	Discussion with internal auditors, any significant findings and follow-up thereon.	Q/P
14.	Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.	Q
15.	To review the functioning of the Whistle Blower mechanism	P
16.	Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate	E
17.	Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.	A
18.	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

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 Group for the F.Y. 2024-25.

B. Meetings during the year:

The Audit Committee met 05 (Five) times during the year under review. The Committee meetings were held on May 16, 2024, August 06, 2024, November 13, 2024, February 05, 2025 and March 20, 2025. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Audit Committee as on March 31, 2025

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% Attendance at the Meeting
1.	Shri Natrajan Ramkrishna[1]	Chairman	Non-Executive Independent Director	5/5	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/5	80%
3.	Smt. Rashmi Prasad[2]	Member	Non-Executive Independent Director	4/5	80%
4.	Shri. Jagdish Chandra Belwal	Member	Non-Executive Independent Director	5/5	100%

Notes:

1. Appointed as the Chairman of the committee w.e.f. April 01, 2024 through the Circular Resolution No. 3/2023-24 dated March 28, 2024.
2. Appointed as the member of the committee w.e.f. April 01, 2024 through the Circular Resolution No. 4/2023-24 dated March 28, 2024.

The Committee meets quarterly for consideration of financial results, review and approval of related party transactions.

The Chairman of the Audit Committee, Shri Natrajan Ramkrishna was present at the 29th Annual General Meeting of the Company held on July 18, 2024.

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 is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The Nomination and Remuneration Committee of the Board comprises of 03 (Three) members as of March 31, 2025.

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 Nomination and Remuneration Committee has devised the criteria for evaluation of the performance of the Board, Committees, and individual Directors, including the Independent Directors. The said criteria specify certain parameters like attendance, acquaintance with business, communication inter-se between board members, effective participation, domain knowledge, compliance with code of conduct, vision, and strategy, etc. which is in compliance with applicable laws, regulations, and guidelines.

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/E**
2.	Formulate and recommend to the Board 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**
3.	Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such an evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates	**A**
4.	Devising a policy on diversity of board of directors.	**P**

Sr. No.	Terms of Reference	Frequency
5.	Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down	**P**
6.	Review and recommend to the Board appointment of Directors and Senior Management, including evaluation of incumbent directors for potential re-nomination. Further, to recommend to the Board their removal, as may be necessary.	**P**
7.	To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management	**A**
8.	Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.	**A**
9.	To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.	**P**
10.	To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.	**P**
11.	Review succession planning for Senior Management	**P**
12.	Undertake any other matters as the Board may decide from time to time	**E**

Frequency:

A Annually **P** Periodically **E** Event-based

The detailed terms of reference and Nomination and Remuneration Policy is available on the website of the Company at www.solargroup.com.

B. Meetings during the year:

The Nomination and Remuneration Committee met 02 (Two) times during the year under review. The Committee meetings were held on May 16, 2024, and November 13, 2024. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Nomination and Remuneration Committee as on March 31, 2025

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% Attendance at the meeting
1.	Shri Natrajan Ramkrishna[1]	Chairman	Non-Executive Independent Director	2/2	100%
2.	Shri Jagdish Belwal	Member	Non-Executive Independent Director	2/2	100%
3.	Shri Dinesh Kumar Batra[2]	Member	Non-Executive Independent Director	1/2	50%

Notes:

1. Appointed as the Chairman of the Committee w.e.f. April 01, 2024 through Circular Resolution No. 5/2023-24 dated March 28, 2024.
2. Appointed as the Member of the Committee w.e.f. April 01, 2024 through Circular Resolution No. 6/2023-24 dated March 28, 2024.

The Chairman of the Nomination and Remuneration Committee Shri Natrajan Ramkrishna was present at the 29th Annual General Meeting of the Company held on July 18, 2024.

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

The 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. Remuneration paid to Executive Directors

The remuneration paid to the Executive Directors during the F.Y. 2024-25 is as below:

(₹ in Crores)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
1.	Shri Manish Nuwal Managing Director & CEO	6.0	18.00	0.08	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	NIL
2.	Shri Suresh Menon Executive Director	1.43	-	0.02	As per policies and rules of the Company	-	0.5 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	NIL
3.	Shri Milind Deshmukh Executive Director	1.06	-	0.01	As per policies and rules of the Company	-	0.5 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	NIL

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 2024-25. 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 report.
7. The sitting fees (Remuneration) paid to Non-Executive Independent Directors during the Financial Year 2024-25 is as below:

Remuneration paid to Non-Executive Independent Directors during the Financial Year 2024-25:

Sr. No.	Non-Executive Directors	Sitting Fees (Amount in ₹)
1.	Shri. Natrajan Ramkrishna	₹ 13,00,000/-
2.	Shri. Jagdish Chandra Belwal	₹ 19,10,000/-
3.	Smt. Rashmi Prasad	₹ 9,50,000/-
4.	Shri Dinesh Batra[1]	₹ 5,00,000/-

Notes:

1. Appointed with effect from April 01, 2024.
2. 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 places great importance on having well-structured succession plans for senior leadership, as they are vital for ensuring a strong and resilient future. The Nomination and Remuneration Committee collaborates closely with the Board to develop a comprehensive leadership succession strategy, facilitating smooth transitions in appointments to both the Board and 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 compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, 2015.

The Stakeholders Relationship Committee of the Board comprises of 03 (Three) members as of March 31, 2025.

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 consider and ensure resolution of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new/duplicate share certificates, general meetings etc.	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 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
4.	To consider and review the measures taken for effective exercise of voting rights by shareholders;	E
5.	Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading	P
6.	To consider and review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed / unpaid dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;	E
7.	To review compliance relating to all securities including dividend payments, transfer of unclaimed amounts or shares to the Investor Education and Protection Fund;	P
8.	To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance;	P
9.	Perform such other functions as may be necessary or appropriate for the performance of its duties such as	
	a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.	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
10.	Carry out any other function as is referred to by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.	E
11.	Performing such other functions or duties as may be required under the relevant provisions of SEBI Listing Regulations and the Act read with rules made thereunder and as may be specifically delegated to the Committee by the Board from time to time	E

Frequency:

Q Quarterly **P** Periodically **E** Event-based

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 04 (Four) times during the year under review. The Committee meetings were held May 16, 2024, August 06, 2024, November 13, 2024 and February 05, 2025. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Stakeholders Relationship Committee as on March 31, 2025:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Jagdish Chandra Belwal[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. Appointed as the Chairman of the Committee w.e.f. April 1, 2024 through Circular Resolution No. 7/2023-24 dated March 28, 2024.

The Chairman of the Stakeholders Relationship Committee Shri Jagdish Chandra Belwal was present at the 29th Annual General Meeting of the Company held on July 18, 2024.

The Company Secretary & Compliance Officer of the Company, Smt. Khushboo Pasari, acts as the Secretary to the committee.

A. Nature of Complaints and Redressal Status as on March 31, 2025:

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the Financial Year 2024-25	1*
Number of Complaints received during the Financial Year 2024-25	0
Number of Complaints redressed during the Financial Year 2024-25	0
Complaints pending at the end of the Financial Year 2024-25	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 09, 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, Smt Khushboo Pasari is designated as Compliance Officer who oversees the redressal of the investor's grievances.

3.4 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 annually 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 4 social, Environment, Safety, Health, and reputational implications – including governance and associated risks and opportunities.	P
6.	The Committee shall review the Company's initiatives and programs from time to time.	P
7.	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
8.	The Committee shall monitor the identification and implementation of multi-year projects / programs ("Ongoing Projects"). The Committee shall recommend to the Board modifications, if any, for the smooth implementation of the Ongoing Projects within the overall legally permissible time period. The Committee may also recommend to the Board, after providing reasonable justification, that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project	A
9.	The Committee shall monitor the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds.	A
10.	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

The detailed terms of reference and Corporate Social Responsibility Policy is available on the website of the Company at www.solargroup.com.

B. Meetings during the Year:

The Corporate Social Responsibility Committee met 04 (Four) times during the year under review. The Committee meetings were held on May 16, 2024, August 06, 2024, November 13, 2024 and February 05, 2025. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Corporate Social Responsibility Committee as on March 31, 2025:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Satyanarayan Nuwal	Chairman	Chairman and Non-Executive Director	3/4	75%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Shri Jagdish Chandra Belwal	Member	Non-Executive Independent Director	4/4	100%

The Chairman of the Corporate Social Responsibility Committee Shri Satyanarayan Nuwal was present at the 29th Annual General Meeting of the Company held on July 18, 2024

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the committee.

3.5 Risk Management Committee

The Risk Management Committee of the Company is constituted in compliance with Regulation 21 of the Listing Regulations, 2015.

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.

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 Executive of the Company.

The Company Secretary of the Company acts as the Secretary to the committee.

A. Terms of reference:

Sr. No.	Terms of Reference	Frequency
1.	To formulate a detailed risk management policy which shall include:	
	a. A framework for the 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

The detailed terms of reference is available on the website of the Company 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 April 22, 2024 and October 16, 2024.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Risk Management Committee as on March 31, 2025:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	0/2	-
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 Bewal	Member	Non-Executive Independent Director	2/2	100%
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.	Smt. Rashmi Prasad [1]	Member	Non-Executive Independent Director	2/2	100%
9.	Shri Ashish Khole[2]	Member	Senior General Manager-HR	N.A.	-
10.	Shri Paresh Patel[3]	Member	Senior Manager - IT	N.A.	-
11.	Shri Sanjay Singh[4]	Member	Senior General Manager - Safety	1/2	50%

Notes:

1. Appointed as the member w.e.f. April 01, 2024, through circular resolution No. 8/2023-24 dated March 28, 2024.
2. Appointed as a member w.e.f. October 16, 2024.
3. Appointed as a member w.e.f. October 16, 2024.
4. Stepped down as a member w.e.f. October 16, 2024.

The Chairman of the Risk Management Committee Shri Manish Nuwal was present at the 29th Annual General Meeting of the Company held on July 18, 2024

The Company Secretary & Compliance Officer of the Company acts as the Secretary to the committee.

3.6 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 of the company 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 are 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
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

Sr. No.	Terms of Reference	Frequency
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 18 (Eighteen) 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, 2025:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Manish Satyanarayan Nuwal	Chairman	Managing Director & CEO	16/18	89%
2.	Shri Suresh Menon	Member	Executive Director	15/18	83%
3.	Shri Milind Deshmukh	Member	Executive Director	12/18	67%

The Chairman of the Executive Committee Shri Manish Satyanarayan Nuwal was present at the 29th Annual General Meeting of the Company held on July 18, 2024.

3.7 Investment Committee

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 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. 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.	To Approve entry into new industries (greenfield, acquisition of majority stake or path to majority).	P

Frequency:

P **Periodically**

The detailed terms of reference is available on the website of the Company at www.solargroup.com.

B. Meetings during the year

The Investment Committee met once during the year under review. The Committee meeting was held on July 02, 2024.

The necessary quorum was present for the meeting.

C. Composition and Attendance of Investment Committee as on March 31, 2025

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1	Shri Manish Nuwal	Chairman	Managing Director and CEO	1/1	100%
2.	Shri Suresh Menon	Member	Executive Director	1/1	100%
3.	Shri Milind Deshmukh	Member	Executive Director	1/1	100%
Non-Voting and Advisory Members					
1.	Smt. Shalinee Mandhana	Member	Joint Chief Financial Officer	1/1	100%
2.	Smt. Khushboo Pasari	Member	Company Secretary & Compliance Officer	1/1	100%

The Chairman of the Investment Committee Shri Manish Nuwal was present at the 29th Annual General Meeting of the Company held on July 18, 2024.

4. COMMITTEE MINUTES:

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

5. COMPLIANCE OFFICER:

Smt. Khushboo Pasari acts as a Company Secretary and Compliance Officer of the Company.

6. 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 year 2024-25 (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.
Smt Shalinee Mandhana	Joint Chief Finance Officer	No	N.A.
Smt Khushboo Pasari	Company Secretary & Compliance Officer	No	N.A.
Shri Ashish Kumar Srivastava	Senior General Manager - Operations	No	N.A.
Shri Manoj Kumar Singh	Senior General Manager - HR	No	N.A.
Shri Purushottam Pundlikrao Deotare	Senior General Manager - Operations	No	N.A.
Shri Manoj Kumar Lalwani	Senior General Manager – Sales & Marketing	No	N.A.
Shri Ashish Khole	Senior General Manager - HR	No	N.A.
Shri Rajesh Jitendra Shrivastava	General Manager - Production	No	N.A.
Shri Sanjeev Parekh	General Manager - Maintenance	No	N.A.
Shri Hemant Tepale	General Manager - EHS	No	N.A.
Shri Shailendra Tiwari	Chief Information Officer - IT	No	N.A.

7. THIRD LAYER GOVERNANCE BY SHAREHOLDERS:

a) General Meetings:

Details of the 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
2023-24	29th AGM	July 18, 2024 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. Alteration of Articles of Association ("AOA") of the Company.
2022-23	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 ("AOA") of the Company. 3. Increase in limits of Borrowings u/s 180 (1) (c) of the Companies Act 2013. 4. Increase in limits of providing Security u/s 180 (1) (a) of the Companies Act 2013 in connection with the borrowing of the company.
2021-22	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 u/s 180 (1) (c) of the Companies Act 2013. 2. Increase in limits of providing Security u/s 180 (1) (a) of the Companies Act 2013 3. Appointment Shri Sanjay Sinha (DIN: 8253225) as a Non- Executive Independent Director 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 May 16, 2024 for the following Special Resolution:

i) Appointment of Shri Dinesh Kumar Batra (DIN: 08773363) as an Independent Director of the company. The details of the voting on the resolution as per Scrutinizer's Report are 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	1,94,63,725	1,66,63,628	85.61%	1,66,45,172	18,456	99.89%	0.11%
	Total	**1,94,63,725**	**1,66,63,628**	**85.61%**	**1,66,45,172**	**18,456**	**99.89%**	**0.11%**
	Remote E-Voting	48,35,059	10,78,389	22.30%	10,77,550	839	99.92%	0.08%
Public- Non-Institutions	**Total**	**48,35,059**	**10,78,389**	**22.30%**	**10,77,550**	**839**	**99.92%**	**0.08%**
Total		**9,04,90,055**	**8,39,33,288**	**92.75%**	**5,74,37,485**	**2,64,95,803**	**68.43%**	**31.57%**

Note:

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, Shri Dinesh Kumar Batra (DIN: 08773363) shall be deemed to be appointed as a Non - Executive 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 May 16, 2024 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 authorized 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 an explanatory statement was sent only through E - mail on May 24, 2024 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, May 17, 2024.

vi. Based on the analysis of the votes received, the Scrutinizer submitted his Report dated June 27, 2024 to Shri Manish Nuwal, Managing Director & CEO of the Company.

vii. The Voting Results and Scrutinizer's Report had been submitted to the Stock Exchanges and uploaded on the website of the Company on June 27, 2024.

d) Are Special resolutions proposed to be put through Postal Ballot this Year?

As on the date of this Report, no Special Resolution is proposed to be conducted through Postal Ballot.

e) During the year under review, No Extraordinary General Meeting of the Members of the Company was convened.

8. 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 the Company. For this purpose, there are multiple channels of communication.

8.1 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).

8.2 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.

8.3 Earning conference calls and presentations to Institutional Investors/Analysts

During the financial year 2024-25, 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 and representative of Finance Department. These presentations, video recordings and transcripts 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.

8.4 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, registrars and Share transfer Agents and Debenture Trustees.

8.5 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.

8.6 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

8.7 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 includes 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.

8.8 Stock Exchange

The Board of Directors has approved a Policy for determining the 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.

8.9 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.

8.10 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.

8.11 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.

8.12 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.

9. GENERAL SHAREHOLDER INFORMATION AND DISCLOSURES:

Date, Time and Venue of the AGM	Tuesday, the 22nd day of July, 2025 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, Maharashtra.
Financial Year	April 01 to March 31
Financial Calendar	
For the financial year ended March 31, 2025 financial results were announced on:	
1. For the quarter ended June 30, 2024	August 06, 2024
2. For the quarter and half year ended September 30, 2024.	November 13, 2024
3. For the quarter and nine months ended December 31, 2024.	February 05, 2025
4. For the fourth quarter and the financial year ended on March 31, 2025	May 20, 2025

Tentative schedule for declaration of financial results during the financial year 2025-26:	
1. For the quarter ending June 30, 2025	On or before August 14, 2025
2. For the quarter and half year ending September 30, 2025	On or before November 14, 2025
3. For the quarter and nine months ending December 31, 2025	On or before February 14, 2026
4. For the fourth quarter and financial year ending March 31, 2026	On or before May 30, 2026
5. Annual General meeting for the Year ending March 31, 2026	On or before September 30, 2026
Trading window closure for financial results	From the 01st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
Date of Book Closure	09th July , 2025 to 22nd July, 2025 (both days inclusive)
Dividend and Dividend Payment Date	₹ 10.00 /- per equity share for Financial Year 2024-25. The payment of such dividend will be made on Thusday, July 31, 2025. The payment of dividend will be subject to a 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 2025-26 has been paid to both the Stock Exchanges as on the date of this Report.
Custody Fees	Annual Custody Fees is being paid by the Company within the due date based on invoices received from the Depositories.
Register and Transfer Agent	**Name:** MUFG Intime India Private Limited (Formerly known as Link intime India private Limited) **Address:** C-101, 01st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 **Tel No.:** 022 49186000 **Fax No.:** 022 49186060 **Email:** amit.dabhade@in.mpms.mufg.com **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

9.1 Share Transfer System

Share Transfer System as mandated by SEBI, securities of the Company can be transferred / traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. 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.

9.2 Distribution of shares and shareholding pattern as on March 31, 2025:

Shareholding Range	Number of Shareholders	Number of Shares	Percent of total Shareholders
01 – 500	96,543	20,17,391	98.4701
501 – 1000	594	4,33,380	0.6059
1001 – 2000	285	4,05,071	0.2907
2001 – 3000	141	3,54,013	0.1438
3001 – 4000	64	2,25,518	0.0653
4001 – 5000	56	2,57,380	0.0571
5001 – 10000	110	7,97,898	0.1122
10001-- *****	250	8,59,99,404	0.2550
TOTAL	**98,043**	**9,04,90,055**	**100**

9.3 Shareholding Pattern (Category wise) as on March 31, 2025:

Sr. No.	Category	Number of Shareholders	Total Shares	% Total Share holding
1.	Public	91,304	47,27,459	5.2243
2.	Promoters	7	6,61,91,271	73.1476
3.	Key Managerial Personnel	1	3,410	0.0038
4.	Clearing Members	4	22	0.0000
5.	Other Bodies Corporate	954	10,87,925	1.2023
6.	Body Corporate - Ltd Liability Partnership	95	31,040	0.0343
7.	Hindu Undivided Family	1,735	2,56,062	0.2830
8.	Mutual Funds	159	1,17,10,018	12.9407
9.	Non - Nationalised Banks	1	25	0.0000
10.	Non - Resident Indians	1,990	60,339	0.0667
11.	Non - Resident (Non-Repatriable)	1,387	96,975	0.1072
12.	Trusts	12	301	0.0003
13.	G I C & Its Subsidiaries	1	64,502	0.0713
14.	Insurance Companies	14	6,53,191	0.7218
15.	FPI (Corporate) - I	350	52,67,430	5.821
16.	FPI (Individual) - II	1	1,250	0.0014
17.	Provident Funds/ Pension Funds	6	50,832	0.0562
18.	NBFC's registered with RBI	3	3,195	0.0035
19.	Investor Education and Protection Fund	1	2,055	0.0023
20.	Alternate Investment Funds - III	18	2,82,753	0.3125
	TOTAL	**98,043**	**9,04,90,055**	**100**

9.4 Address for Correspondence:

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Smt Khushboo Pasari Company Secretary & Compliance Officer Tel: 0712 6634555/67 Fax: 0712 6634578/79 E-mail: 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 E-mail:investor.relations@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur - 440023
For share transfer, transmission, National Electronic Clearing Service, dividend, dematerialization, etc.	Registrar and Share Transfer Agent: MUFG Intime India Private Limited (Formerly known as Link Intime India Pvt Limited) Tel No: 022 49186000 Fax: 022 49186000 Email: rnt.helpdesk@in.mpms.mufg.com	MUFG Intime India Pvt. Limited (Formerly known as Link Intime India Pvt Limited) C - 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

9.5 Dematerialization of Shares and liquidity:

The Company's shares are compulsorily traded in dematerialized 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).

9,04,90,045 Ordinary Shares of the Company representing 99.99% of the Company's share capital is held in dematerialized form.

9.6 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, 2025, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

9.7 Disclosure Related to Commodity Price Risks and Commodity Hedging Activities:

During the Financial Year 2024-25, 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 the Consolidated Financial Statements of the Company.

9.8 Plant Locations as on March 31, 2025:

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	Dist. 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 768 202	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.	Dist- 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	Dist- 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.	Solar Defence and Aerospace Limited	Village – Sawanga	Nagpur, Maharashtra
20.	Solar Defence and Aerospace Limited, Nimjee	Kh – 40/1 & 40/2 , Khapri, PO – MIDC, Gondkhari, Kamleshwar Road	Nagpur, Maharashtra

Sr. No.	Unit	Address	City
21.	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh 486886.	Distt – Singrauli, Madhya Pradesh
22.	Emul Tek Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District Raigarh, Chhattisgarh 496001	Distt- Raigarh, Chhattisgarh
23.	Emul Tek Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli, Madhya Pradesh 486886	Distt – 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
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)	KH.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

9.9 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

9.10 Major 10 Shareholders as on March 31, 2025 (other than promoters):

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1.	SBI Equity Hybrid Fund	25,00,000	2.7627
2.	SBI Focused Equity Fund	14,00,000	1.5471
3.	Kotak Emerging Equity Scheme	11,04,617	1.2207
4.	Kotak Flexicap Fund	10,00,000	1.1051
5.	HDFC Mutual Fund - HDFC Mid-Cap Opportunities Fund	8,76,574	0.9687
6.	HDFC Mutual Fund - HDFC Defence Fund	5,67,550	0.6272
7.	HDFC Life Insurance Company Limited	5,65,958	0.6254
8.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	5,03,230	0.5561
9.	Vicco Products Bombay Pvt Ltd	4,21,889	0.4662
10.	Vanguard Total International Stock Index Fund	3,45,079	0.3813

9.11 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 authorized 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 19th Day of July, 2025 (10.00 a.m. IST) and end on 21st Day of July, 2025 (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 scrutinizer for the e-voting process.

Detailed procedure is given in the Notice calling 30th Annual General Meeting and also placed on the website of the Company.

9.12 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 2024-25.

The Company will be transferring the final Dividend and corresponding shares for the financial year 2017-18 on or before July 31, 2025. Members are requested to ensure that they claim the dividends and shares referred to above, before they are transferred to the said Fund. Last Date for claiming Unpaid Dividends are provided in the Report on Corporate Governance. Details of shares/ shareholders in respect of which dividend has not been claimed, are provided on our website at www.solargroup.com

The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

9.13 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 2017-18 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 2017-18	Amount lying in respective Unpaid Dividend Accounts	Yes	MUFG Intime India Private Limited (*Formerly known as Link Intime India Pvt Limited*)	Application to MUFG Intime India Private Limited (*Formerly known as Link Intime India Pvt Limited*) along with KYC documents

9.14 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, 2025 (in Rupees)	Last Date for claiming Unpaid Dividend
2017-18(Final)	July 31, 2018	84,558.00	July 31, 2025
2018-19 (Final)	July 31, 2019	95,298.00	July 31, 2026
2019-20 (Final)	September 16, 2020	74,126.00	September 16, 2027
2020-21 (Final)	August 31, 2021	58,134.00	August 31, 2028
2021-22 (Final)	June 10, 2022	1,00,607.00	June 10, 2029
2022-23 (Final)	June 21, 2023	2,76,432.00	June 21, 2030
2023-24 (Final)	July 18, 2024	1,00,166.00	July 18, 2031

10. SUBSIDIARY MONITORING FRAMEWORK:

As on 31st March, 2025, the Company have 08 wholly owned subsidiaries, 28 step-down subsidiaries and 03 Associate Companies as on March 31, 2025 both within India and across the globe. The strategic alignment of these entities underscores our dedication in expanding our reach globally.

All the subsidiary companies of the Company are managed by their Management, Board of Directors and Board Committees (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 the 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

11. FOURTH LAYER GOVERNANCE THROUGH MANAGEMENT PROCESS:

11.1 Other Disclosures:

a. Disclosure of Related Party Transactions:

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 the foundation for Related Party Transactions & intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with Related Parties, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at arm's length.

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 2024-25 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

b. Whistle Blower Policy/Vigil Mechanism:

The Company promotes safe, ethical and compliant conduct of all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are encouraged to report violations of applicable laws and regulations and the Code of Conduct without fear of any retaliation.

Further it is committed to developing a culture where it is safe for all the employees to raise concerns about any unacceptable practice(s) and any event of misconduct in the company. Under this policy, your company encourages the reporting of any incidence to the management on an anonymous basis by the employees, if the employees so desire.

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.

The Board has designated Smt. Rashmi Prasad, Non – Executive Independent Director of the company as the Ombudsperson who operates under the supervision of the Audit Committee.

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 subsidiaries. During the year under review the Company has reviewed and amended the Policy for determining Material subsidiaries. The Policy for determining Material subsidiaries is available on the Company's website and can be accessed at the following link: https://bit.ly/DMSPolicy

Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited) and Solar Overseas Mauritius Limited 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.

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.	Solar Defence and Aerospace Limited (*Formerly known as 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 Networth
2.	Solar Overseas Mauritius Limited	August 21, 2009 Republic of Mauritius	BIT Associates; Chartered Certified Accountants & Registered Auditors	April 12, 2024	Net worth

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, 2025.

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 date May 02, 2025 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, Investment 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 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 shareholder 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 2024-25:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	-	-
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	-	-

l. Protection of Women at Workplace

The Company is committed to provide a work environment which ensures that each and every employee is treated with dignity, respect and afforded equal treatment at workplace. Training/awareness programmes are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

At SOLAR it is believed 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'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 & Redressal) Act, 2013 ("POSH 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 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

Throughout the year, a variety of training programs and workshops for employees are conducted. The orientation sessions for new recruits are designed to include essential awareness trainings focused on the prevention of sexual harassment. Specific programs have been developed on our digital platform to educate and sensitize employees about the importance of upholding the dignity of their colleagues and preventing sexual harassment.

m. 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. 5 of the Standalone Financial Statements and Consolidated Financial Statements.

n. 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.

o. 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

p. 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.

q. 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/PD-Policy

r. 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.

s. Compliance on Matters Related to Capital Markets

There were no instances of non-compliance, penalties, strictures imposed by the Stock Exchanges on capital markets related matters in the last three years.

However, there were some cases for which the Company has paid the fine and filed a waiver/refund application to the Stock Exchanges along with the proper clarifications as under:

1. The Audit Committee of Solar industries India Limited was constituted as per Regulation 18(1) of SEBI (LODR), 2015. However, the stock exchanges noted non-compliance in its composition between January 29,2022 to March 31,2022. The Company has clarified that the Committee's composition met the regulatory requirements.

2. An instance of delayed submission of disclosure under Regulation 23(9) of SEBI (LODR), 2015 for the period ended on March 31,2022 due to misinterpretation of newly introduced amendments in LODR and different wordings in Guidance Note and SEBI SOP. The Company has paid the fine and provided necessary clarifications to the Stock exchanges.

3. The Company has disclosed the information/details under Regulation 52(7) and Regulation 52(7A) of SEBI (LODR), 2015, but inadvertently in paragraph format instead of the tabular format as prescribed by SEBI circular. BSE via E-mail dated July 18, 2024, issued notice for Non-submission of statement as per the format prescribed by SEBI.

t. Code for Prevention of Insider Trading

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("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 informative E-mails 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. The Code of Fair Disclosures is posted on the website of the Company at the link: https://bit.ly/UPSIPolicy

u. Disclosure on resignation of Independent Directors

During the year under review, none of the Independent Directors of the Company have 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.

v. The disclosures of 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 the Board • Compliance Certificate by CEO and CFO • Risk Assessment & Management • Performance evaluation of Independent Director
2.	Maximum Number of Directorships	17A	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 • Frequency of Committee Meetings • Role of Committee and Review of information by the Committee

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
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 • Frequency of Committee Meetings • 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 • Frequency of Committee Meetings • Role and responsibilities of Committee
6.	Risk Management Committee	21	Yes	• Composition and role of Risk Management Committee • Meeting and Quorum • Frequency and time gap between two Committee Meetings • Role and responsibilities of the 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 of related party transactions
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 and Secretarial Compliance Report	24A	Yes	• Secretarial Audit of the Company and of material unlisted subsidiaries incorporated in India • Eligibility, Qualifications and Disqualifications of Secretarial Auditor and rendering of services • 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 • Separate Meetings of Independent Directors • Review of Performance by the Independent Directors • Liability of Independent Directors • Familiarization of Independent Directors • Declaration of Independence • Directors and Officers Insurance for all the Independent Directors

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
12.	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26 & 26A	Yes	• Memberships/Chairmanships in the committees and changes therein • Affirmations with compliance with the Code of Conduct from members Board of Directors and Senior Management personnel • Disclosures by senior management about potential conflict of Interest • Filing in office vacancies in respect of certain Key Managerial Personnel
13.	Other Corporate Governance Requirements	27	Yes	• Compliance of Discretionary Requirements • Filing of Quarterly, Half-Yearly and Yearly Compliance Report on Corporate Governance • Details of cyber security incidents or breaches or loss of data or documents
14.	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

11.2 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.

f. Independent Director Meeting

During the financial year ended 31st March, 2025, the Company conducted two meeting of the Independent Directors without the presence of non-independent directors and members of the management. All Independent Directors attended the said meeting.

12. CEO AND CFO CERTIFICATION:

The Managing Director & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) 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 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 the SEBI (Listing Regulations), 2015.

13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the certificate from M/s Gandhi Rathi & Company, 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 F.Y 2024-25, 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, 2025.

For **Solar Industries India Limited**

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Place: Nagpur
Date: May 20, 2025

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, 2025 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 2024-25 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 20, 2025

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, 2025, 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 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
Gandhi Rathi & Co
Chartered Accountant
Firm Registration No: 103031W

C.N. Rathi
Partner
M. No.: 39895
UDIN: 25039895BMJLYY6654

Place: Nagpur
Date: May 20, 2025

Annexure 'D'

Certificate of Non-Disqualification of Directors

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 2025;

ii) Disclosure of concern or interest received from directors under section 184 of the Act in April 2025

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, 2025 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

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:

* Shri. Dinesh Kumar Batra (DIN: 08773363) was appointed as a Non-Executive Independent Director of the Company w.e.f. April 01, 2024.

For **T.S Pahade & Associates**

Tushar S. Pahade
FCS 7784
CP 8576
UDIN : F007784G000249652
PR No.: 3052/2023

Place: Nagpur
Date: May 02, 2025

Independent Assurance Report

The Board of Directors
Solar Industries India Limited
"Solar" House 14,
Kachimet, Amravati Road,
Nagpur – 440 023

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 March 31, 2025

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) following the BRSR Core – Framework for assurance and ESG disclosures for value chain ("BRSR Core") stipulated in SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated December 20, 2024 ("Circular") and under the terms of the engagement letter dated September 14, 2024. Our assurance on disclosures is for the period starting from April 1, 2024, to March 31, 2025. We have not performed any procedures on any other elements included in the BRSR report, and therefore do not express any opinion thereon.

2. Boundary

The reporting boundary for the BRSR disclosures includes Solar's operations of 17 manufacturing locations at Chakdoh, Warur, Waidhan, Korba, Ramgarh, Jharsuguda, Bhilwara, Pallewada, Bailadila, Barbil, Talcher, Asansol, Dhanbad, Manendragarh, Ramagundam, Kotputli, Bagadih, and 3 offices including Solar House, Ramdaspeth office, and Bharat Nagar. An on-site verification was conducted at the Nagpur Office, Chakdoh plant.

3. Management Responsibilities

Solar's management 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.

4. 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. Moore Singhi expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement and for any damages in case erroneous data is reported. This assurance engagement relies on the assumption that all data and information provided by Solar Industries is accurate and complete.

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, Industry Standards on Reporting of BRSR Core, as well as the terms of reference for this engagement as agreed with Solar in the engagement letter dated September 14, 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 sample 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 on which KPI reporting is based.

5. 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. The application of this assurance statement is limited to the aforementioned "Circular".

6. Opinion

Based on our procedures performed and evidences obtained as mentioned in the section 4, 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.

7. 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.

8. 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)
Date: June 14, 2025

Annexure -1

Sr. No.	Attribute	Parameter
1	Greenhouse gas (GHG) footprint	Total Scope 1 emissions
		Total Scope 2 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	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	brsr@solargroup.com
7.	Telephone	0712-6634567
8.	Website	www.solargroup.com
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025.
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ("BSE") National Stock Exchange of India Limited ("NSE")
11.	Paid-up Capital	9,04,90,055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
12.	Name of the Contact Person	Mr. Moneesh Agrawal & Mrs. Khushboo Pasari
	Telephone	0712- 6634555
	Email address	moneesh@solargroup.com , khushboo.pasari@solargroup.com
13.	Reporting boundary	The disclosures made in the BRSR Report are on Standalone basis (i.e. only for Solar Industries India Limited)
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	97.69%

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, Initiating Systems.	24292	97.69%

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 25.

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 90 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

During the Financial Year 2024-25, on a standalone basis export contributed 36.48% of 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 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)	1342	1235	92.0	107	8.0
2	Other than Permanent Employees (E)	0	0	0	0	0
3	**Total Employees (D + E)**	**1342**	**1235**	**92.0**	**107**	**8.0**
	Workers					
4	Permanent (F)	1061	1029	97.0	32	3.0
5	Other than Permanent (G)	4635	3851	83.1	784	16.9
6	**Total Workers (F + G)**	**5696**	**4880**	**85.7**	**816.0**	**14.3**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total no. (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
1	Permanent Employees (D)	-	-	-	-	-
2	Other than Permanent Employees (E)	-	-	-	-	-
3	**Total Employees (D + E)**	**-**	**-**	**-**	**-**	**-**
	Differently abled 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 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.7%	1.3%	14.0%	11.36%	1.72%	13.08%	11.02%	1.88%	12.90%
Permanent Workers	15.1%	0.5%	15.6%	18.2%	1.7%	19.9%	12.03%	0.39%	12.42%

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.	Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited)	Subsidiary	100	Yes
2.	Emul Tek Private Limited	Subsidiary	100	No
3.	Solar Explochem Limited	Subsidiary	100	No
4.	Solar Defence Limited	Subsidiary	100	No
5.	Solar Defence Systems Limited	Subsidiary	100	No
6.	Solar Avionics Limited	Subsidiary	100	No
7.	Solar Aerospace Limited	Subsidiary	100	No
8.	Solar Overseas Mauritius Limited	Subsidiary	100	No
9.	Solar Overseas Singapore Pte Limited	Step down Subsidiary	-	No
10.	Solar Overseas Netherlands Cooperative U.A	Step down Subsidiary	-	No
11.	Solar Industries Africa Limited	Step down Subsidiary	-	No
12.	Solar Nitro Zimbabwe (Private) Limited	Step down Subsidiary	-	No
13.	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Step down Subsidiary	-	No
14.	Solar Mining Services (Pty) Limited (Australia)	Step down Subsidiary	-	No
15.	Solar Mining Services Cote d'Ivoire Limited SARL	Step down Subsidiary	-	No
16.	Solar Mining Services Albania	Step down Subsidiary	-	No
17.	Solar Nitro SARL	Step down Subsidiary	-	No
18.	Solar Nitro Kazakhstan Limited	Step down Subsidiary	-	No
19.	Solar Nitro (SL) Limited	Step down Subsidiary	-	No
20.	Solar Nitro Chemicals Limited	Step down Subsidiary	-	No
21.	Solar Mining Services Burkina Faso SARL	Step down Subsidiary	-	No
22.	Solar Mining Services (Pty) Limited (South Africa)	Step down Subsidiary	-	No
23.	Solar Nigachem Limited	Step down Subsidiary	-	No
24.	Solar Overseas Netherlands B.V.	Step down Subsidiary	-	No
25.	Solar Explochem Zambia Limited	Step down Subsidiary	-	No
26.	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Step down Subsidiary	-	No
27.	P.T. Solar Mining Services	Step down Subsidiary	-	No
28.	Solar Nitro Ghana Limited	Step down Subsidiary	-	No
29.	Solar Madencilik Hizmetleri Anonim Sirketi	Step down Subsidiary	-	No
30.	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Step down Subsidiary	-	No
31.	Power Blast LLP	Step down Subsidiary	-	No
32.	Maxigear(Pty) Limited	Step down Subsidiary	-	No
33.	Frag Shared Services (Pty) Limited	Step down Subsidiary	-	No
34.	Procapture (Pty) Limited	Step down Subsidiary	-	No
35.	Problast BS (Pty) Limited	Step down Subsidiary	-	No
36.	Problast BBBEE Investment Co. (Pty) Limited	Step down Subsidiary	-	No
37.	Ortiz Investments (Pty) Limited	Associate	-	No
38.	Solar United Co. Limited	Associate	-	No
39.	Zmotion Autonomous Systems Private Limited	Associate	45	No

VI. CSR Details

24	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 25 is	4,456.60 (₹ in Crores)
	Net worth of the Company for the FY 25 is	3,066.96 (₹ in Crores)

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 ("NGRBC")

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 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. Grievances for all the CSR activities undertaken by the Company can also be communicated by emailing at brsr@solargroup.com	Nil	N.A.	N.A.	Nil	N.A.	N.A.
Investors (other than shareholders)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shareholders	Yes, During FY 25 no complaints were received, However, one complaint of shareholder received in FY 21 is pending. Shareholders can lodge complaints by emailing at investor.relations@solargroup.com.	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 25.	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.
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	N.A.	N.A.	Nil	N.A.	N.A.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 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
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.	6	Nil	N.A.	9	Nil	N.A.
Value Chain Partners	Yes, the Company's Code of Conduct for Suppliers and Service Providers includes Grievance Redressal Mechanism.	Nil	N.A.	N.A.	Nil	N.A.	N.A.

The Policies are hosted on the website of the Company www.solargroup.com

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

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 was conducted in FY 2025.

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 2024-25.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same approach to adapt or mitigate the risk along-with its financial implications, as per the following format-

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

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)
2.	Environmental Risk and Compliance	Risk	• Explosive industry is subjected to various government's laws and regulations. Noncompliance 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
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
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

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)
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
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	NA
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

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

		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 global standards. 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 ESG 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 25 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) 10. Code of conduct for Employees (Vyavahar Sanhita). 11. Code of Conduct to Regulate, Monitor and Report Trading by Designated Person. 12. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. 13. Anti-corruption and anti-bribery policy.								
P2 Businesses should provide goods and services in a manner that is sustainable and safe	1. 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. 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) 8. Prevention of Sexual Harassment at workplace 9. Code of Conduct for Employees (Vyavahar Sanhita).								
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 5. Corporate social responsibility Policy 6. Code of Conduct for employees (Vyavahar Sanhita).								

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
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. Supplier Code of Conduct (Internal policy Document) 5. EHS policy (Internal Document)								
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. 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 25.								
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	Subject for Review									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.	If answer to question (1) above is "No" i.e. not all principles are covered by a policy, reasons to be stated.	Answer to question (1) above is "No", hence this question is Not Applicable								
	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)									

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 25, 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 Director 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	Considering the positions Key Managerial personnel holds in the company, 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, Related Party Transactions, Corporate Governance, Companies Act, 2013, SEBI regulations as applicable to the Company, ESG matters which focused on corporate governance and good corporate citizenship. Additionally, the sessions also addressed the Company's whistleblower policy and its sustainability policies.	100%
Employees other than BODs and KMPs	492 Sessions, around 40 Topics covered	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 25 periodic awareness programs on topics like ESG, Code of Conduct, sexual harassment, Insider trading, Vigil mechanism, etc were conducted by the Company.	90.02%
Workers	708 Sessions, around 34 Topics 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.	89.82%

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	N.A.	N.A.		N.A.
Settlement	Nil	N.A.	N.A.		N.A.
Compounding fee	Nil	N.A.	N.A.		N.A.

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	N.A.	N.A.	N.A.
Punishment	Nil	N.A.	N.A.	N.A.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

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
N.A.	N.A.

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 underlying philosophy of this Policy is to conduct business in an ethical manner as well as to create a work environment that is conducive to members and associates alike, based on our values and beliefs. The Company discourages bribery and corruption in any form.

The policy highlights our responsibilities to be compliant to the anti-corruption laws and to combat corruption risks. The policy document can be accessed at the following: https://bit.ly/SolarACABPolicy

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 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	N.A.	Nil	N.A.

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 2024-25	FY 2023-24
Number of days of accounts payable	60*	43

* We have updated the value as per ISF standards. For FY 2024-25, capex is included as part of the total procurement and capital creditors included as part of the accounts payable

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 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses* as % of total purchases	11.19	12.57
	b. Number of trading houses where purchases are made from	697	534
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	37	47
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	21	24
	b. Number of dealers / distributors to whom sales are made	285	316
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	41	40
Share of RPTs** in	a. Purchases (Purchases with related parties / Total Purchases)	7	13
	b. Sales (Sales to related parties / Total Sales)	14	15
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100	86
	d. Investments (Investments in related parties / Total Investments made)	67	50

* We have revised this metric as per ISF standards. We have classified all the vendors as Trading houses other than Manufacturers and Service providers.

**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.**

The Company has the Code of Conduct for the Board of Directors and Senior Management Personnel (Code) which stipulate guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. 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 Director concerned is required to immediately report such conflicts and seek approvals as required by the applicable law and under the Company's policies.

The Company receives an annual declaration from its Board of Directors confirming adherence to the Code of Conduct, which includes the provisions on dealing with conflict of interest. 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 (related party transactions The Directors abstain from participating in the Board/Committee meetings on matters in which they are interested or deemed to be interested. In addition, the Code of Independent directors is applicable to the independent directors which inter alia contains guidelines pertaining to avoidance of conflict of interest.

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 2024-25	FY 2023-24	Details of improvement in social and environmental aspects
R&D	-	-	Nil
CAPEX	5.16%	-	Nil

Note: The company has initiated monitoring capital expenditure on environmental projects from FY 2024-25; accordingly the same has been disclosed.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company has implemented a Supplier Code of Conduct designed to enhance sustainability across the supply chain. This commitment goes beyond our manufacturing facilities, targeting selected suppliers of key raw materials. Our vendor selection and onboarding processes involve comprehensive assessments of environmental compliance, ensuring adherence to relevant rules and regulations. We prioritize suppliers who are committed to responsible practices, sustainable sourcing, and full compliance with these standards.

b. If yes, what percentage of inputs were sourced sustainably

During FY 2024-25, around 51% of our inputs were sourced sustainably, either through the company's sustainable sourcing programs and/ or certified to meet social and environmental standards. These standards include SA 8000, ISO 14001, OHSAS 18001, or recognized labels such as the Rainforest Alliance, Rugmark, and the Roundtable on Sustainable Palm Oil (RSPO), among others.

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 adherence to the Explosives Rules of 2008 and the guidelines provided by the Petroleum & Explosives Safety Organization, the reuse or recycling of the Company's products is prohibited due to their explosive nature. Nonetheless, our project and operation sites have systems in place to recycle, reuse, and disposal of waste generated during operations, following all relevant regulations. Rejected or obsolete products are responsibly reclaimed and disposed of according to regulatory standards.

The Company further underscores its commitment to environmental responsibility by implementing sustainable practices in the management of packaging materials. Predominantly corrugated fiberboard boxes are collected from customer sites by local vendors and subsequently sold to paperboard recyclers. This process ensures responsible disposal and recycling, aligning with the Company's broader environmental stewardship goals.

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 Indicator

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.
LCA has not been carried out in the FY 2024-25					

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
	NA	

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	% of employees covered by										
	Total (A)	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)	%(E/A)	%(F/A)
Permanent Employees											
Male	1235	1235	100	1235	100	-	-	1235	100	1235	100
Female	107	107	100	107	100	107	100	-	-	107	100
Total	**1342**	**1342**	**100**	**1342**	**100**	**107**	**100**	**1235**	**100**	**1342**	**100**
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

b. **Details of measures for the well-being of workers:**

Category	% of Workers covered by										
	Total (A)	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)	%(E/A)	%(F/A)
Permanent Workers											
Male	1029	1029	100	1029	100	0	0	1029	100	1029	100
Female	32	32	100	32	100	32	100	0	0	32	100
Total	**1061**	**1061**	**100**	**1061**	**100**	**32**	**100**	1029	**100**	**1061**	**100**
Other than Permanent Workers											
Male	3851	3851	100	3851	100	0	0	3851	100	3851	100
Female	784	784	100	784	100	784	100	0	0	784	100
Total	**4635**	**4635**	**100**	**4635**	**100**	**784**	**100**	**3851**	**100**	**4635**	**100**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.2	0.2

2. Details of retirement benefits, for Current FY and Previous FY:

Sr.No.	Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		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	3	75	Yes	37	93	Yes
4	Others-Please Specify	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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 is committed to providing employees and workers with disabilities, the essential infrastructure and amenities needed to carry out their responsibilities securely and efficiently.

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/EWBPolicy

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
	Permanent Employees		Permanent Workers	
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 workers? If yes, give details of the mechanism in brief.

Yes, the Company has a robust grievance redressal system designed to accommodate the concerns of both permanent and non-permanent employees and workers through the Grievance Redress Policy available on the intranet. Employees are encouraged to initially communicate their grievances to their departmental heads or Human Resource representatives, while workers direct their concerns to their respective supervisors. This approach aims to facilitate swift resolution and ensure transparency and fairness throughout the process. Furthermore, the Company supports an open-door policy to uphold an open and transparent culture, allowing employees to discuss issues with their functional leaders or heads directly.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievances Redressal Policy
Other than Permanent Workers	Yes, Grievances Redressal Policy
Permanent Employees	Yes, Grievances Redressal Policy
Other than Permanent Employees	Yes, Grievances Redressal Policy

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	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 respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	1235	0	0	871	0	0
Female	107	0	0	58	0	0
Others	0	0	0	0	0	0
Total	**1342**	**0**	**0**	**929**	**0**	**0**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	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 respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Workers						
Male	1029	1029	100	937	937	100
Female	32	32	100	20	20	100
Others	0	0	-	0	0	-
Total	**1061**	**1061**	**100**	**957**	**957**	**100**

8. **Details of training given to employees and workers:**

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	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	1235	1235	100	1235	100	871	871	100	871	100
Female	107	107	100	107	100	58	58	100	58	100
Total	**1342**	**1342**	**100**	**1342**	**100**	**929**	**929**	**100**	**929**	**100**
Workers										
Male	1029	1029	100	1029	100	937	937	100	937	100
Female	32	32	100	32	100	20	20	100	20	100
Total	**1061**	**1061**	**100**	**1061**	**100**	**957**	**957**	**100**	**957**	**100**

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Permanent Employees						
Male	1235	1235	100	871	871	100
Female	107	107	100	58	58	100
Total	**1342**	**1342**	**100**	**929**	**929**	**100**
Permanent Workers						
Male	1029	1029	100	937	937	100
Female	32	32	100	20	20	100
Total	**1061**	**1061**	**100**	**957**	**957**	**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 enforces a comprehensive Environmental, Health, and Safety (EHS) policy across all its facilities, supported by ISO 45001:2018 certification at key manufacturing sites. Each workplace implements a health and safety management system for all employees and workers, complemented by regular training at plant sites. The EHS Department and safety committees collaborate to achieve safety goals and prevent incidents, reflecting senior management's commitment to a proactive safety culture.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company is committed to ensuring a safe and healthy workplace as a cornerstone of employee well-being. We have instituted an Occupational Health and Safety Management System that promotes a culture of safety through comprehensive training programs and continuous investment in advanced technology to uphold the highest safety standards. To proactively manage risks, we conduct Hazard Identification and Risk Assessment (HIRA) and Hazard and Operability Study (HAZOP) studies, focusing on identifying operational risks. Monitoring near-miss incidents, unsafe acts and conditions, along with regular mock drills, enhance our preventive measures' effectiveness. Our risk management strategy employs a range of qualitative and specialized tools, including EHS inspections, fire safety measures, third-party EHS audits, and disaster management plans. Additionally, strict controls are in place, such as work permit systems, regular safety and fire drills, emergency preparedness measures like sirens and lights across all plants, fire safety equipment, safety committees, patrols, and comprehensive safety training programs.

We conduct annual medical health check-ups for all employees, provide both internal and external safety audits, and ensure accessibility to occupational health centers at all Company plants. Through such measures, we maintain a robust framework for hazard prevention and risk mitigation, further supported by our major operational sites' certification with ISO 45001:2018.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

The Company has established a robust system for identifying and reporting work-related hazards, facilitated by an online incident reporting platform that monitors occurrences across all manufacturing facilities. After incidents are reported, Corrective and Preventive Action (CAPA) reports are generated and distributed to relevant personnel, aiming to prevent future similar incidents. Employees and workers receive ongoing training and appropriate personal protective equipment (PPE) to minimize safety incidents. Our workplace safety systems actively capture leading and lagging indicators regarding hazards, including monitoring of near-misses, safety observations, and initiatives like Night Duty Officers (NDO) and toolbox talks.

Compliance is assured through dedicated site professionals conducting regular audits and monitoring practices. Major operational sites are certified with ISO 45001:2018, aligning safety systems with risk assessments. Hazard control programs feature active involvement from workers and contractors, with roles clearly explained in local languages to ensure understanding and protection from risks. Safety signboards are prominently displayed, and evacuation plans with accessible routes and safe assembly points are established for efficient response to emergencies.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The Company maintains a well-equipped Occupational Health Centre, staffed with full-time doctors and ambulance services, to ensure comprehensive healthcare support for employees and workers. In addition, both employees and their immediate family members receive medical insurance or ESI benefits, covering hospitalization for various medical conditions. Employees and workers also have access to non-occupational medical services and healthcare support, including health counseling following periodic medical examinations. Our health and first-aid centers are outfitted with essential medical equipment. Furthermore, the Company has established partnerships with local multi-specialty hospitals to provide specialized care through the insurance and ESIC coverage offered to all eligible individuals.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) *	Employees	0	0.44
	Workers	0	0.91
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	1
	Workers	0	8
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Only first aid injuries were recorded during the reporting period. No injuries resulted in lost time. The company maintains a robust business continuity plan to address and manage safety risks effectively.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Aligning with the Company's Environmental, Health, and Safety (EHS) policy, a variety of proactive strategies are employed to ensure a safe and healthy workplace for all employees and workers, with a strong emphasis on cutting-edge technologies and systematic standards –

1. Conducting Comprehensive Studies and Surveys: The Company performs Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Studies (HAZOP), and fire risk assessments to systematically identify and manage process safety hazards.

2. Implementing Safety Management Systems: We apply a comprehensive health and safety management system at all key manufacturing facilities, aligned with ISO 45001, covering the entire workforce, including contractors and visitors.

3. Prioritizing Training: A Behavior-Based Safety Management approach is adopted, providing regular

training to equip employees with essential safety skills, including first aid, firefighting, and emergency protocols.

4. Promoting Safety Awareness: Through initiatives such as Safety Week and internal competitions, the Company promotes a positive safety culture and fosters collective safety commitment among stakeholders. An internal safety audit mechanism ensures compliance and facilitates timely resolution of issues

Measures for a Safe Workplace:

- Employees receive continuous education in technical operations, fire prevention, and general safety, with visual safety boards throughout the plant.
- Emergency Preparedness and Response Plans are reinforced through regular mock drills.
- A permit-to-work system and machine safety inspections ensure pre-assessment and ongoing safety patrols of plant premises.
- Risks are identified, and corrective and preventive actions (CAPA) are applied following the hierarchy of risk controls.
- Engineering and design controls are enhanced alongside safety-instrumented systems.
- Operational procedures are regularly reviewed, with continuous EHS training to ensure competency.
- Critical systems, including fire protections, PPE, occupational health surveillance, and Material Safety Data Sheets (MSDS) for flammable materials, are provided and maintained.
- Monitoring and measuring mechanisms are prioritized, supported by internal and external audits to ensure compliance and drive improvements.

Occupational Healthcare Centers, staffed with skilled medical professionals, are accessible across our factories, offering periodic medical check-ups to support a safe and healthy working environment.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	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.

The Company undertakes comprehensive investigations of all safety-related incidents and disseminates findings throughout the organization. This approach ensures implementation of corrective measures to avert similar incidents, with the effectiveness of these actions assessed during safety audits.

Furthermore, significant risks identified in health and safety evaluations are addressed by eliminating manual tasks through technological advancements and digitization, enhancing safety capabilities via targeted training and development, and reinforcing monitoring and supervision protocols.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (a) Employees (Y/N) (B) Workers (Y/N)?

The Company ensures that all employees and workers are included under the life insurance policy. In addition, employees receive coverage under a Mediclaim policy, while workers are protected by ESIC policy benefits. In the unfortunate event of an employee's death, the Company extends financial support to the bereaved families beyond the insurance provisions.

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 established robust mechanisms to ensure that all necessary statutory dues related to transactions with value chain partners are appropriately deducted and deposited in compliance with relevant 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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
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).

The Company offers comprehensive support to employees transitioning due to retirement or termination, providing assistance through training and counseling for adapting to a non-working life. Through dedicated programs, the Company equips employees with tailored training initiatives to empower them in making informed financial planning decisions.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Assessed
Working Conditions	Not Assessed

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicator

1. Describe the processes for identifying key stakeholder groups of the entity.

The essence of our strategy and business model revolves around prioritising our stakeholders. Keeping abreast of their changing needs enables us to make well-informed and strategic decisions. 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 2025.

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. 17 of Integrated Annual Report FY 25 for further details.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (yes/no)	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
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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (yes/no)	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
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 payouts. • Superior stakeholder returns through optimal utilization of resources. • Better disclosures, transparency and credibility of financials • Effective risk management • Create high shareholder value • Sound governance practices. • Communicate performance and future growth plans
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 2025.

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, to create long-term value, we take steps to understand each stakeholder group's needs and priorities. The Materiality Assessment was conducted in FY 2025. 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 marginalized 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 are undertaken after assessing the need of the communities including the vulnerable/marginalized 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 program 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 Indicator

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Male	1235	1235	100	871	871	100
Female	107	107	100	58	58	100
Others	-	-	-	-	-	
Total	**1342**	**1342**	**100**	**929**	**929**	**100**
Other than Permanent Employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Workers						
Male	1029	1029	100	937	937	100
Female	32	32	100	20	20	100
Others	-	-	-	-	-	
Total	**1061**	**1061**	**100**	**957**	**957**	**100**
Other than Permanent Workers						
Male	3851	3851	100	1907	1907	100
Female	784	784	100	745	745	100
Others	-	-	-	-	-	
Total	**4635**	**4635**	**100**	**2652**	**2652**	**100**
Grand Total	**7038**	**7038**	**100**	**4538**	**4538**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	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	1235	-	-	1235	100	871	-	-	871	100
Female	107	-	-	107	100	58	-	-	58	100
Others	-	-	-	-	-	-	-	-	-	-
Total	**1342**	**-**	**-**	**1342**	**100**	**929**	**-**	**-**	**929**	**100**
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Totals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Category	FY 2024-25					FY 2023-24				
	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 Workers										
Male	1029	-	-	1029	100	937	-	-	937	100
Female	32	-	-	32	100	20	-	-	20	100
Others	-	-	-	-	-	-	-	-	-	-
Total	**1061**	**-**	**-**	**1061**	**100**	**957**	**-**	**-**	**957**	**100**
Other than Permanent										
Male	3851	-	-	3851	100	1907	-	-	1907	100
Female	784	-	-	784	100	745	-	-	745	100
Others	-	-	-	-	-	-	-	-	-	-
Total	**4635**	**-**	**-**	**4635**	**100**	**2652**	**-**	**-**	**2652**	**100**
Grand Total	**7038**	**-**	**-**	**7038**	**100**	**4538**	**-**	**-**	**4538**	**100**

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	12,50,000	-	
Key Managerial Personnel*	4	4,66,676	2	2,45,128
Employees other than BoD and KMP	1231	36,908	105	33,908
Workers	1029	17,948	32	15,673

* 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 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	8.37	7.42

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 endeavours 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 centred 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:

	FY 2024-25			FY 2023-24		
	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 Labor	Nil	Nil	NA	Nil	Nil	NA
Forced Labor/ Involuntary Labor	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 2024-25	FY 2023-24
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 form 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 25.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

Human rights are a fundamental part of our governance framework, and our Human Rights Policy embodies our commitment to treating all employees with dignity and respect while maintaining a zero-tolerance approach toward any form of abuse or violation. We have not received any human rights complaints during the financial year under review.

To ensure compliance across our value chain, we require vendors and partners to strictly follow our Suppliers Code of Conduct. These ongoing efforts help us strengthen our human rights practices.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Our human resources department drives the implementation of human rights policies and processes to ensure adherence across the organization. The Code of Conduct (CoC) underpins our commitment to ethical practices, applying to all employees. Our Whistleblower Policy ensures confidentiality and robust identity protection for both permanent and contractual employees, along with efficient mechanisms to address grievances. Vendors and service providers are required to comply with our Supplier Code of Conduct.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, our offices and facilities are fully accessible to individuals with disabilities.

PRINCIPLE 6:

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

Essential Indicator

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption **(A) (GJ)**	15,302	13,587
Total fuel consumption **(B) (GJ)**	1,82,826	1,68,102
Energy consumption through other sources **(C) (GJ)**	0	0
Total energy consumed from renewable sources. (A + B +C) (GJ)	**1,98,128**	**1,81,689**
From non-renewable sources		
Total electricity consumption **(D) (GJ)**	92,346	71,373
Total fuel consumption **(E) (GJ)**	6,94,643	5,31,613
Energy consumption through other sources **(F) (GJ)**	0	0
Total energy consumed from non-renewable sources (D + E + F) (GJ)	**7,86,989**	**6,02,986**
Total energy consumed (A+B+C+D+E+F) (GJ)	**9,85,117**	**7,84,675**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	221.05 (GJ / ₹ in crores)	211.07 (GJ / ₹ in crores)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	4,566.83 (GJ / ₹ in crores)	4,424.13 (GJ / ₹ in crores)
Energy intensity in terms of physical output	1.80 (GJ / MT)	1.55 (GJ / MT)
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Notes:

1. 20.11% of energy is consumed from renewable sources in relation to total energy consumed.
2. The Purchasing Power Parity (PPP) factor considered for FY 2024-25 is 20.66 as recommended by IMF (FY 23-24: 20.96 recommended by World Bank)
3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? b. If Yes, name of the external agency.

   Yes, 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 2024-25	FY 2023-24
Water withdrawal by source (in kiloliters)		
(i) Surface water	22,833	13,094
(ii) Groundwater	4,59,935	4,80,042
(iii) Third party water	24,068	35,827
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**5,06,836**	**5,28,963**
Total volume of water consumption (in kiloliters)	**5,06,836**	**5,28,963**

Parameter	FY 2024-25	FY 2023-24
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	113.73 (KL / ₹ in crores)	142.29 (KL / ₹ in crores)
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	2,349.60 (KL / ₹ in crores)	2,982.38 (KL / ₹ in crores)
Water intensity in terms of physical output	0.93 (KL / MT)	1.04 (KL / MT)
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Notes:

1. The Purchasing Power Parity (PPP) factor considered for FY 2024-25 is 20.66 as recommended by IMF (FY 23-24: 20.96 recommended by World Bank)

2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

   Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
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 kiloliters)	**-**	**-**

Note :

1. 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.

2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

   Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

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. One of the Solar's ETP (15 CMD) employs 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 2024-25	FY 2023-24
NOx	MT/A	11.86	9.27
SOx	MT/A	11.36	10.24
Particulate matter (PM)	MT/A	7.05	5.98
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

Note:

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	65,713	49,286
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	18,649	14,195
Total Scope 1 and Scope 2 emissions (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		18.93 (MT / ₹ in crores)	17.08 (MT / ₹ in crores)
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)		391.09 (MT / ₹ in crores)	357.92 (MT / ₹ in crores)
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.15 (tCO_2e / MT)	0.13 (tCO_2e / MT)
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity.		NA	NA

Note:

1. The Purchasing Power Parity (PPP) factor considered for FY 2024-25 is 20.66 as recommended by IMF (FY 23-24: 20.96 recommended by World Bank)

2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

   Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

3. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

4. Scope 1 Emission factors are reported as per the UN's Intergovernmental Panel on Climate Change (IPCC), 2006.

5. For Diesel, we have taken density as 0.84 kg/m^3 as per Indian standards.

6. Scope 2 Emissions are reported with grid emission factor from Version 20 of the Central Electrical Authority's CO_2 database.

7. For Financial Year 2024-25, the biogenic CO_2 emissions from combustion of biomass (briquettes) was 18,283 MT

8. The total emission have increased due to a rise in overall production capacity compared to FY 2023–24, along with a shift in product mix that required relatively higher energy inputs. Further, the increase in emissions has been on account of addition of two manufacturing units at Kotputli and Bagadih. From current year we have also initiated tracking of LPG cylinders & fire extinguisher.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Yes, the Company initiatives are aligned with emissions management towards minimizing carbon footprint. Some of the initiatives are as follows:

1. Energy Efficiency initiatives: VFD based compressors are provided to minimize power consumption. Insulating hot air blower room led to a reduction in power consumption. A voltage stabilizer has indirectly led to savings of 20,000 KWh per month.

2. Renewable Solar Power Plant: 3.12 MW solar based-renewable power plant reduces the dependency on traditional electricity sources.

3. 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. Phasing out of R404A is completed and has been carried out in a sustainable manner.

4. Replacement of Centrifugal Pumps and Motors: The Company is upgrading to energy-efficient centrifugal pumps and motors, to substantially gain in energy conservation.

5. 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.

6. 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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	579.16	576.44
E-waste **(B)**	4.52	1.59
Bio-medical waste **(C)**	0.005	0.00
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	4.80	2.42
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	1,825.27	1,164.11
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	5,015.03	4,782.07
Total (A+B + C + D + E + F + G+ H)	**7,428.78**	**6,526.63**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	1.67 (MT / ₹ in crores)	1.76 (MT / ₹ in crores)
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	34.44 (MT / ₹ in crores)	36.80 (MT / ₹ in 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

1. The Purchasing Power Parity (PPP) factor considered is 20.66 as recommended by IMF (FY 2023-2024: 20.96 recommended by World Bank)

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
(i) Recycled	2,253.42	531.42
(ii) Re-used	0	0
(iii) Other recovery operations	0	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
(i) Incineration	1,556.36	1,538.59
(ii) Landfilling	3,544.47	3,512.19

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out for Waste Category by an external agency? If yes, name of the external agency

Yes, 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 a robust mechanism for waste handling, transportation and disposal 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 segregates waste at the source into hazardous and non-hazardous categories and has partnered with authorized agencies for proper management and disposal of 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:

There were no Environmental Impact Assessments of projects that were undertaken during the reporting period.

13. 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 If not, provide details of all such non-compliances, in the following format:

Yes, The Company is in compliance with the stipulated laws.

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	Paper waste	Reduce paper waste generation	Going digital for data tracking and reviewing lead to a decrease in paper waste generation	Paper waste generation was decreased by 50% over the reporting period
2	Hazardous waste	Hazardous waste converted into Non-hazardous	Equipment/ decontaminated chamber is in place	Reduce waste contamination
3	Energy	Eliminate voltage fluctuation of chiller using voltage stabilizer	Voltage fluctuation was observed in the chiller unit, so chiller was getting tripped & plant humidity affected. Humidity problems stopped production for 4 to 5 hrs. in a day, to overcome the voltage fluctuation, voltage stabilizer was installed. After commissioning voltage stabilizer, the chiller tripping problem was eliminated.	Energy savings of approximately 77 KWh/ day was recorded over the period
4	Emissions	Reduce power consumption by providing insulation on wall in hot air blower room	Installing insulation on the wall & cling area inner side of hot air blower room leads to reduction of heat loss.	Emissions savings of approximately 15 tCO_2/ month was recorded over the period
5	Water	Reduction of water consumption and improve efficiency of evaporative cooler by providing honeycomb pad in cooler	Honeycomb pads are made of cellulose have a higher capacity to hold and distribute water evenly, leading to more efficient cooling and reduced water usage as compared to wood wool	Water savings of approximately 10.5 KL/ month was recorded over the period

2 **(a) Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Solar has a Business Risk & Opportunity Register and Onsite / Off Site Emergency Management Plan.

(b) Give details in 100 words/ web link.

The Business Risk & Opportunity Register is 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 of establishing a comprehensive system and allocating 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 Indicator

1. **a) Number of affiliations with trade and industry chambers/ associations.**

The Company is associated with 8 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.

S. 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	State
7	Quality Circle Forum of India (QCFI)	National
8	Explosives Manufacturers Welfare Association	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:**

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 Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

During FY 2024-25, 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, in the following format:

During FY 2024-25, 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 in the FY (IN INR)
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 2024-25	FY 2023-24
Directly sourced from MSMEs/ Small producers	21.24	17.95
Directly from within India	84.99	81.35

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 2024-25	FY 2023-24
Rural	65.53%	66.32%
Semi-urban	5.24%	4.17%
Urban	6.56%	6.33%
Metropolitan	22.67%	23.18%

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)
1.	Maharashtra	Gadchiroli	35,00,000.00

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 responsible manner.

Essential Indicator

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 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	-	-	-	-	-	N.A.
Advertising	-	-	-	-	-	N.A.
Cyber-security	-	-	-	-	-	N.A.
Delivery of essential services	-	-	-	-	-	N.A.
Restrictive Trade Practices	-	-	-	-	-	N.A.
Unfair Trade Practices	-	-	-	-	-	N.A.
Others	6	Nil	All the complaints are resolved	-	-	N.A.

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

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 25, 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 labelling. 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.

Financial Statements

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, 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, 2025, its profit including other comprehensive loss, 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, 2025. 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, provision is made based on estimate of powder factor achieved on current sales which is reduced from the sales for the period. As at March 31, 2025, the Company is carrying a powder factor provision of Rs. 23.39 crore. This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.	Our audit procedures included, among others the following: ● Evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). ● Assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision. ● Read the agreement with customers for validating terms relating to powder factor. ● Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. ● We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. ● Evaluated the historical trend against the actual powder factor deduction. ● Assessed and read the disclosures made by the Company in the standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Fair Valuation of Non-current Investments (as described in note 2.2 (y) of the standalone financial statements)	
The Company has classified certain investment amounting to Rs. 105.75 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.	Our audit procedures included, amongst others the following: • Obtained and read the fair valuation reports provided by the management from 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.

We have determined that there are no other key audit matters to communicate in our report.

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 objective is 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, 2025 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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, 2025 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 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 19 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 where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

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) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been 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 an immovable property as indicated in the table below for which title deeds are not in the name of the Company:

Description of property	Gross carrying value (Rs. 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
Land in Dhanbad	1.74	Previous owners	No	Since 2024-2025	Title transfer in progress

(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, 2025.

(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) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2025. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

(ii) (b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts 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	Guarantee
Aggregate amount granted/Provided during the year		
Subsidiaries	1,426	200
Joint Ventures	-	-
Associate	-	-
Others	-	-
Balance O/s as at balance sheet date		
Subsidiaries	604	775
Joint Ventures	-	-
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) The Company has granted loan during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties 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 have 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 section 185 of the Companies Act, 2013 are applicable. Further, where loans, investments, guarantees and security in respect of which provisions of section 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 statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.68	0.03	2015-2017	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	1.16	-	2007-2009	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	0.07	0.03	2018-2019	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST	7.84	-	2018-2021	Commissionerate
Goods and Service Tax Act, 2017	Demand of transitional credit (including penalty)	0.01	-	2017-2018	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST	0.22	-	2020-2021	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST	0.15	-	2017-2025	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	15.16	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

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	12.73	0.50	2015-2016	Commissionerate
Employee Provident Fund	Demand of Provident Fund Contribution	0.15	0.15	2015-2017	Appellate Authority
The Customs Act, 1962	Demand of Custom Duty	2.09	2.09	2021-2022	Tribunal
The Customs Act, 1962	Demand of Custom Duty	0.09	-	2023-2024	Commissionerate

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(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 material 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 financial 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: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

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, 2025 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 that were operating effectively as at March 31, 2025, 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: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

Standalone Balance Sheet

as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	1,124.30	798.86
Capital work in progress	3A	112.10	217.23
Intangible assets	3B	8.94	6.45
Intangible assets under development	3B	0.57	1.92
Right-of-use assets	3C	5.49	5.93
Financial assets			
Investments	4	686.46	453.89
Loans	5	437.37	244.72
Other financial assets	6	91.14	68.60
Other non-current assets	9	30.55	39.79
Total non-current assets		**2,496.92**	**1,837.39**
Current assets			
Inventories	10	396.97	264.11
Financial assets			
Investments	4	172.50	213.44
Trade receivables	7	786.52	605.12
Cash and cash equivalents	8	192.92	62.07
Bank balances other than cash and cash equivalents	8	3.25	3.11
Loans	5	166.86	93.83
Other financial assets	6	99.63	90.26
Other current assets	9	120.15	65.92
Total current assets		**1,938.80**	**1,397.86**
Total assets		**4,435.72**	**3,235.25**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	3,048.86	2,328.37
Total equity		**3,066.96**	**2,346.47**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	93.56	193.05
Lease Liabilities	3C	3.46	4.27
Deferred tax liabilities (net)	14	130.12	131.88
Other non current liabilities	15	260.90	-
Total non-current liabilities		**488.04**	**329.20**
Current liabilities			
Financial liabilities			
Borrowings	13	101.38	119.43
Lease Liabilities	3C	1.55	0.94
Acceptances	16A	394.61	229.71
Trade payables	16B		
a) total outstanding dues to micro enterprises and small enterprises		20.17	8.08
b) total outstanding dues to creditors other than micro enterprises and small enterprises		166.63	95.66
Other financial liabilities	17A	62.36	55.96
Other current liabilities	15	123.21	42.69
Provisions	17B	6.56	4.59
Current tax liabilities (net)		4.25	2.52
Total current liabilities and Provisions		**880.72**	**559.58**
Total liabilities		**1,368.76**	**888.78**
Total equity and liabilities		**4,435.72**	**3,235.25**
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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	18	4,456.60	3,717.52
Other income	19	83.75	58.34
Total income		**4,540.35**	**3,775.86**
Expenses			
Cost of materials consumed	20	2,354.45	2,048.63
Purchases of stock-in-trade		231.18	232.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(5.82)	20.22
Employee benefit expense	22	232.28	185.51
Finance costs	23	28.93	29.58
Depreciation and amortisation expense	24	74.64	63.37
Other expenses	25	547.40	395.90
Total expenses		**3,463.06**	**2,975.81**
Profit before tax		**1,077.29**	**800.05**
Tax expense :			
- Current tax		264.55	195.56
- Adjustment of tax relating to earlier periods		(0.73)	(1.30)
- Deferred tax		10.36	9.49
Total tax expense	14	**274.18**	**203.75**
Profit for the year		**803.11**	**596.30**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss in subsequent period			
Remeasurement gain/ (loss) on defined benefit plans		(0.82)	0.16
Income tax effect on defined benefit plans		0.21	(0.04)
Remeasurement gain/ (loss) on Investment in Equity instruments		(15.86)	71.69
Income tax effect on Investment in Equity instruments		11.63	(16.70)
		(4.84)	**55.11**
Items that will be reclassified to profit or loss in subsequent period			
Net movement on Cash Flow Hedge Reserve		(1.15)	-
Income tax effect		0.29	-
		(0.86)	**-**
Total Other comprehensive income for the year, net of tax		**(5.70)**	**55.11**
Total comprehensive income for the year		**797.41**	**651.41**
Earnings per equity share (Face Value Rs.2 per share) (in Rupees)			
Basic and Diluted earnings per share	26	88.75	65.90
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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

Standalone Statement of Cash flows

for the year ended March 31, 2025

(All amounts in ₹ Crores , unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	**1,077.29**	**800.05**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	74.64	63.37
(Profit) on Sale of property, plant and equipment (net)	(0.05)	(2.53)
Loss/ (Profit) on Discard of property, plant and equipment (net)	(0.77)	0.17
Net (Gain)/ loss on financial assets measured at fair value through profit and loss	0.21	(1.89)
Profit on sale of financial assets carried at fair value through profit and loss	(7.56)	(4.35)
Interest income	(62.13)	(45.70)
Finance cost	28.93	29.58
Impairment loss on financial assets	9.05	2.49
Bad debts written off	0.41	0.59
Trade payables written Back	(0.15)	-
Provision no longer required written back	-	(0.01)
Effect of exchange rate change	0.45	21.43
Operating profit before working capital changes	**1,120.32**	**863.20**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(196.21)	(72.94)
(Increase)/Decrease in inventories	(132.86)	195.94
Increase/(Decrease) in trade payables	249.12	(61.15)
(Increase)/ Decrease in other assets	(74.22)	13.85
Increase/(Decrease) in other liabilities	349.84	17.35
Cash generated from operations	**1,315.99**	**956.25**
Less : Income taxes paid	262.08	186.55
Net cash flows from operating activities	**1,053.91**	**769.70**
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(277.97)	(240.71)
Proceeds from sale / discard of property, plant and equipment	0.93	4.40
Loan given to related parties	(1,425.82)	(203.55)
Loan recovered from related parties	915.79	73.17
Investment in subsidiary	(0.05)	(9.45)
Proceeds from sale of non-current investments	0.26	0.57
Proceeds from (Purchase)/ sale of current investments (net)	47.65	(187.34)
(Investment)/Redemption in fixed deposits greater than 3 months	(0.15)	(0.31)
Interest income received	48.11	13.93
Net cash flows (used) in investing activities	**(691.25)**	**(549.29)**
Cash flows from/(used in) financing activities		
Proceeds from long term borrowings	1.90	135.00
Repayment of long term borrowings	(119.45)	(101.08)
Proceeds from / (Repayment of) short term borrowings (net)	-	(142.36)
Payment of principal portion of lease liabilities	(1.48)	(1.19)
Interest paid	(35.86)	(34.50)
Dividend paid	(76.92)	(72.37)
Net cash flows (used) in financing activities	**(231.81)**	**(216.50)**
Net increase / (decrease) in cash and cash equivalents	130.85	3.91
Add:-Cash and cash equivalents at the beginning of the year	62.07	58.16
Cash and cash equivalents at end of the year (Refer note 8)	**192.92**	**62.07**

Standalone Statement of Cash flows

for the year ended March 31, 2025

(All amounts in ₹ Crores , unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2024	Cash flows	Other Adjustment	March 31, 2025
Short Term borrowings (Excluding current maturities of long term borrowing)	-	-	-	-
Long Term borrowings (Including current maturities of long term borrowing)	312.48	(117.54)	-	194.94
Lease Liabilities	5.21	(1.93)	1.73	5.01
Total liabilities from financing activities	**317.69**	**(119.47)**	**1.73**	**199.95**

Particulars	March 31, 2023	Cash flows	Other Adjustment	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**

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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
As at April 1, 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
As at March 31, 2025 (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)	Remeasurement (loss) on defined benefit plans (Note 11A)	Cash flow hedge reserve (Note 11A)	Equity Instrument through other comprehensive income (Note 11A)	
Balance as at April 1, 2023	**149.13**	**870.10**	**4.29**	**701.61**	**(0.68)**	**0.03**	**24.87**	**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 gain/ (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**	**(0.56)**	**0.03**	**79.86**	**2,328.37**

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

B. Other equity (Contd..)

	Reserves and surplus					Other comprehensive Income		
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)	Remeasurement (loss) on defined benefit plans (Note 11A)	Cash flow hedge reserve (Note 11A)	Equity Instrument through other comprehensive income (Note 11A)	Total Other equity
Balance as at April 1, 2024	**149.13**	**1,294.01**	**4.29**	**801.61**	**(0.56)**	**0.03**	**79.86**	**2,328.37**
Profit for the year	-	803.11	-	-	-	-	-	803.11
Transfer from retained earnings	-	-	-	100.00	-	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	-	(100.00)
Others	-	0.03	-	-	-	(0.03)	-	-
Other comprehensive income :								
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	(0.86)	-	(0.86)
Remeasurement gain/ (loss) on defined benefit plans (net of tax)	-	-	-	-	(0.61)	-	-	(0.61)
Remeasurement gain/ (loss) on Investment in Equity instruments	-	-	-	-	-	-	(4.23)	(4.23)
Transactions with owners :								
Dividend paid	-	(76.92)	-	-	-	-	-	(76.92)
Balance as at March 31, 2025	**149.13**	**1,920.23**	**4.29**	**901.61**	**(1.17)**	**(0.86)**	**75.63**	**3,048.86**

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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 1. Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (CIN No - L74999MH1995PLC085878). 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).

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) and presentation requirement of division II of schedule III to the companies act 2013. The Standalone financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

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.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any 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.

Any 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 derecognised.

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 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.

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:

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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 and civil structures	5-60	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	5 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	3-7
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 (which are part of continuous process plants) 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.

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.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially

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impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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 and low value leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. **Right-of-use assets:**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. **Lease Liabilities:**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets 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

Notes to Standalone Financial Statements

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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**

Initial Recognition & Measurement

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 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

Notes to Standalone Financial Statements

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- 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.

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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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.

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Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

4. Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical 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 expense/ income 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 0-180 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.

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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 refund 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 customers' site. Powder factor is based on the agreement with customers, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of 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, late delivery charges 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.

The Company also receives advance payments from customers for the supply of goods with a lead time of more than one year after signing the contract. The Company has determined that aforesaid long terms advances from customers do not contain a significant financing component as these advances are only to ensure that the contracting parties performs its obligations as specified under the contract. 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 90-180 days from the date of sale .

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- **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 its obligation 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 Goods and Service Tax / 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.

(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.

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(iv) Scrap: It is valued at net realizable value.

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

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

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.

The cost of providing benefits under the gratuity plan is determined using the projected unit credit method.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The company recognises these items of re-measurements immediately in other comprehensive income and all the other expenses related to defined benefit plans in employee benefit expenses in profit and loss account.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expenses

Tax expense comprises of current 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 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

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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.

Sales tax / value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales tax / 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, expenditure deductible / disallowances for tax purposes.

p. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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. Acceptances

The Company has established supplier finance arrangements (Refer Note 16A). The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (v) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank makes payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow. Hence the Company has shown Acceptances as a separate line item under Financial Liabilities in the Financials.

v. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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.

w. 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.

x. 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.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Company 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 estimate of powder factor to be achieved on current sales of products, which is reduced from the revenue for 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2024, applicable from April 1, 2024, as below:

(i) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment has no impact on the Company's financial statements.

(ii) 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.

(iii) 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.

(iv) 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, 2025, 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, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A. Property, Plant and Equipment

	Land (Refer note 5 below)	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipments and Computer	Total
Year Ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2023[1]	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**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2023[1]	-	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**
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2024	103.04	361.12	15.53	534.44	53.91	20.28	1,088.32
Additions	14.48	94.93	2.57	260.23	15.50	7.72	395.43
Disposals	-	-	-	(0.22)	(0.54)	-	(0.76)
Closing Gross Carrying Amount as at March 31, 2025	**117.52**	**456.05**	**18.10**	**794.45**	**68.87**	**28.00**	**1,482.99**
Opening gross carrying amount as at April 1, 2024	-	74.49	6.97	180.68	15.24	12.08	289.46
Depreciation charge for the year	-	17.12	1.35	42.25	5.89	3.27	69.88
Disposals	-	-	-	(0.15)	(0.50)	-	(0.65)
Closing Accumulated Depreciation as at March 31, 2025	**-**	**91.61**	**8.32**	**222.78**	**20.63**	**15.35**	**358.69**
Net Carrying Amount as at March 31, 2025	**117.52**	**364.44**	**9.78**	**571.67**	**48.24**	**12.65**	**1,124.30**

Note 3A:Capital Work in Progress

	CWIP Freehold Land	CWIP Buildings	CWIP Furniture, fittings	CWIP Plant and Machinery	CWIP Vehicles	CWIP Office Equipments and Computer	Total
Year Ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2023	-	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**
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2024	-	59.95	1.22	154.60	0.30	1.16	217.23
Additions	14.48	58.19	1.35	191.59	15.31	9.38	290.30
Less:- Capitalisation	(14.48)	(94.93)	(2.57)	(260.23)	(15.50)	(7.72)	(395.43)
Closing Gross Carrying amount as at March 31, 2025	**-**	**23.21**	**-**	**85.96**	**0.11**	**2.82**	**112.10**

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, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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, 2025. Loss on such assets is ₹ Nil (March 31, 2024: ₹ 1.13).

4. The amount of borrowing costs capitalised during the year ended March 31, 2025 was ₹ 10.25 (March 31, 2024: ₹ 4.71). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 8.08% , which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset (Refer note 23).

5. Land includes :

a) ₹ 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.

b) ₹ 1.74 crore located in Shitalpur, Tehsil - Kaliyasol, District - Dhanbad, acquired in current year is held in the name of previous owners. Applications has been made to transfer the title in name of the Company.

6. Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2025

(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	92.09	19.26	0.62	0.13	112.10
- Projects temporarily suspended	-	-	-	-	-
Total	**92.09**	**19.26**	**0.62**	**0.13**	**112.10**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project Overdue	-	-	-	-	-

B. 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

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B. Intangible assets

	Software & License	Know how/ TOT [2]	Total
Year ended March 31, 2024			
Gross carrying amount			
Opening gross carrying amount April 1, 2023 [1]	8.39	3.31	11.70
Additions	3.33	-	3.33
Deductions/Adjustments	-	-	-
Gross carrying amount as at March 31, 2024	**11.72**	**3.31**	**15.03**
Accumulated amortisation			
Opening accumulated amortization as at April 1, 2023 [1]	4.62	1.35	5.97
Amortization for the year	2.03	0.58	2.61
Deductions/Adjustments	-	-	-
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**
Year ended March 31, 2025			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2024	**11.72**	**3.31**	**15.03**
Additions	5.53	-	5.53
Deductions/Adjustments	-	-	-
Gross carrying amount as at March 31, 2025	**17.25**	**3.31**	**20.56**
Accumulated amortization			
Opening accumulated amortization as at April 1, 2024	**6.65**	**1.93**	**8.58**
Amortization for the year	2.51	0.53	3.04
Deductions/Adjustments	-	-	-
Accumulated amortization as at March 31, 2025	**9.16**	**2.46**	**11.62**
Net carrying amount as at March 31, 2025	**8.09**	**0.85**	**8.94**

Note 3B: Intangible Asset under development

	Software & License	Total
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**
Year Ended March 31, 2025		
Gross carrying amount		
Opening Carrying Amount as at April 1, 2024	1.92	1.92
Additions	4.18	4.18
Less:- Capitalisation	(5.53)	(5.53)
Closing Carrying amount as at March 31, 2025	**0.57**	**0.57**

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 (TOT) 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, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Intangible Asset under development (Contd..)

3. Intangible Assets Under development (IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2025

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	0.41	0.16	-	-	0.57
- Projects temporarily suspended	-	-	-	-	-
Total	**0.41**	**0.16**	**-**	**-**	**0.57**

B. 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**

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, 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**
Year ended March 31, 2025			
As at April 1, 2024	5.09	0.84	5.93
Additions	1.55	-	1.55
Termination	(0.27)	-	(0.27)
Depreciation	(1.68)	(0.04)	(1.72)
As at March 31, 2025	**4.69**	**0.80**	**5.49**

B. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2025	March 31, 2024
As at April 1	5.21	3.52
Additions	1.55	2.80
Termination	(0.27)	-
Accretion of interest	0.45	0.29

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C. Leases (Contd..)

	March 31, 2025	March 31, 2024
Payments	(1.93)	(1.40)
As at March 31	**5.01**	**5.21**
Current	1.55	0.94
Non-current	3.46	4.27

The maturity analysis of lease liabilities are disclosed in Note 32.

The incremental borrowing rate for lease liabilities is 6.60% to 8.16%, with maturity between 2021-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	1.72	1.28
Interest expense on lease liabilities	0.45	0.29
Expense relating to short-term and low value leases (included in other expenses)	0.34	0.47
Gain on termination of Lease *	0.00	-
Total amount recognised in profit or loss	**2.51**	**2.04**

The Company had total cash outflows for leases of ₹ 2.27 in March 31, 2025 (₹ 1.87 in March 31, 2024).

* Amount is less than 0.01

Note 4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Solar Defence and Aerospace Limited (Formerly known as 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 Aerospace Limited	₹ 10	50,000	-	0.05	-
Solar Overseas Mauritius Limited	$ 100	2,39,200	2,06,000	521.58	273.58
Solar Explochem Limited	₹ 10	95,00,000	95,00,000	9.50	9.50
				551.99	**303.94**
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	0.97	0.50
				0.97	**0.50**
Investment in Venture Capital Fund					
Kotak India Growth Fund II	₹ 15,502	-	500	-	0.09
				-	**0.09**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments (Contd..)

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
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	105.72	121.58
Equity Shares of Skyroot Aerospace Private Limited	₹ 1	5	5	0.03	0.03
(Refer note # below)					
				105.75	**121.61**
Aggregate amount of unquoted investments				**686.46**	**453.89**
Aggregate amount of impairment in value of investments				-	-

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
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	4,15,334.88	5,47,884.83	172.50	213.44
				172.50	**213.44**
Aggregate amount of quoted investments and market value thereof				**172.50**	**213.44**

 # 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 loss amounting to ₹ 15.86 has been accounted in OCI for the year ended March 31, 2025 (March 31, 2024 fair value gain - ₹ 71.69).

Note 5. Loans

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Carried at amortised cost				
Loan to related parties (Refer note 29D)	166.86	437.37	93.83	244.72
	166.86	**437.37**	**93.83**	**244.72**

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, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Solar Explochem Limited	-	180.96	-	37.03
	-	**180.96**	**-**	**37.03**

3. Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable as per repayment schedule and carry an interest at the rate of 9% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable as per the repayment schedule but the management does not intend to recover the same in next year, these loans carry an interest at the rate of 9% - 9.5% per annum. The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment."

Note 6. Other financial assets

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Others				
State Government Incentive Receivables	82.24	73.11	72.05	60.51
Other receivables from related Parties (refer note 29D)	0.56	-	-	-
Interest accrued from related party (Refer note 29D)	14.49	9.45	16.80	1.62
Interest accrued but not due on Fixed Deposits	0.37	-	0.04	-
Security deposits	1.68	8.58	1.24	6.47
Other receivables	0.29	-	0.13	-
	99.63	**91.14**	**90.26**	**68.60**
	99.63	**91.14**	**90.26**	**68.60**

Notes :

1 State Government incentive receivables arise on account of capital investment made and are linked to sales. This incentive is available on SGST component on sale of eligible products within the state of Maharashtra subject to ceiling limit. There are no unfulfilled conditions or contingencies attached to these receivables.

2. Other receivable includes rent and cross charges receivable

Note 7. Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables	429.68	332.36
Receivables from related parties (Refer note 29D)	375.43	282.30
Less: Impairment allowance	(18.59)	(9.54)
Total Trade receivables	**786.52**	**605.12**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables (Contd..)

Break-up of security details

	March 31, 2025	March 31, 2024
Secured, considered good	1.71	56.50
Unsecured, considered good	799.06	556.79
Trade Receivables - credit impaired	4.34	1.37
Trade Receivables which have significant increase in credit risk	-	-
	805.11	**614.66**
Impairment allowance		
Unsecured, considered good	(14.25)	(8.17)
Trade Receivables - credit impaired	(4.34)	(1.37)
Trade Receivables which have significant increase in credit risk	-	-
	(18.59)	**(9.54)**
	786.52	**605.12**

Trade Receivable ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2025					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	479.91	290.39	26.25	-	3.40	0.82	800.77
(iI) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.22	0.66	1.46	4.34
Total	**479.91**	**290.39**	**26.25**	**2.22**	**4.06**	**2.28**	**805.11**

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**

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, 2025	March 31, 2024
As at April 1,	9.54	7.05
Provision /(Reversal) for expected credit losses	9.05	2.49
As at March 31,	**18.59**	**9.54**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 8. Cash and Bank balances

	March 31, 2025	March 31, 2024
Cash and cash equivalents		
Balances with banks		
On current accounts	91.28	54.38
Deposits with Bank (with original maturity of less than three months)	100.00	-
Funds in Transit#	1.58	7.62
Cash on hand	0.06	0.07
	192.92	**62.07**
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.25	2.16
Deposits with Bank (with original maturity of more than three months and less than 12 months)	0.93	0.88
Earmarked balances with banks *	0.07	0.07
	3.25	**3.11**

*The Company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by one bank account credited in other bank account subsequently (includes cheques in hand)

Note 9. Other assets

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Capital advances	-	27.95	-	39.19
Prepayments	35.57	2.35	10.20	-
Advances to suppliers for goods and services	23.01	-	13.96	-
Advances to staff	1.05	-	0.78	-
Balances with revenue authorities	60.52	0.25	40.98	0.60
	120.15	**30.55**	**65.92**	**39.79**

Note 10. Inventories

	March 31, 2025	March 31, 2024
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes in transit of ₹ 103.78 (Previous year : ₹ 17.79))	303.98	175.86
Work-in-progress (includes in transit of ₹ 1.74 (Previous year : ₹ Nil))	37.17	28.46
Finished goods (includes in transit of ₹ 8.17 (Previous year : ₹ 12.22))	28.86	31.54
Scrap goods (includes in transit of ₹ Nil (Previous year : ₹ Nil))	0.10	0.19
Stock-in-trade (includes in transit of ₹ Nil (Previous year : ₹ 1.80))	1.76	1.88
Stores and spares (includes in transit of ₹ 0.43 (Previous year : ₹ 0.48))	22.85	18.90
Project inventory in progress	2.25	7.28
	396.97	**264.11**

Note:-

Value of inventories above is stated after provision of ₹ 4.11 (previous year ₹ 3.58) for write down to net realisable value and provision for old / slow moving and obsolete items.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital

	Number of Shares		Amount	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Authorised equity share capital				
(face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2023	**9,04,90,055**	**18.10**
As at March 31, 2024	**9,04,90,055**	**18.10**
As at March 31, 2025	**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, 2025	March 31, 2024	March 31, 2025	March 31, 2024
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	4.33%	5.58%	39,18,387	50,47,791
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, 2025

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%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital (Contd..)

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
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt Leeladevi Satyanarayan Nuwal*	1,000	-	1,000	0.00%	-
	Total	**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

* Percentage is less than 0.01

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%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt Leeladevi Satyanarayan Nuwal*	1,000	-	1,000	0.00%	-
	Total	**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

* Percentage is less than 0.01

Note 11A. Other equity

Securities premium[1]

As at April 1, 2023	**149.13**
Movement for the year 2023-24	-
As at March 31, 2024	**149.13**
Movement for the year 2024-25	-
As at March 31, 2025	**149.13**

Retained earnings[5]

As at April 1, 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**
Add : Profit for the year	803.11
Less :Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2023-24	(76.92)
Add : Others	0.03
As at March 31, 2025	**1,920.23**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

Capital reserve[2]

As at April 1, 2023	**4.29**
Movement for the year 2023-24	-
As at March 31, 2024	**4.29**
Movement for the year 2024-25	-
As at March 31, 2025	**4.29**

General reserve[3]

As at April 1, 2023	**701.61**
Add : Transfer from retained earnings	100.00
As at March 31, 2024	**801.61**
Add : Transfer from retained earnings	100.00
As at March 31, 2025	**901.61**

Cash flow hedge reserve[4]

As at April 1, 2023	**0.03**
Movement for the year 2023-24	-
As at March 31, 2024	**0.03**
Movement for the year 2024-25	(0.89)
As at March 31, 2025	**(0.86)**

Investment in Equity Instruments through other comprehensive income[6]

As at April 1, 2023	**24.87**
Movement for the year 2023-24	54.99
As at March 31, 2024	**79.86**
Movement for the year 2024-25	(4.23)
As at March 31, 2025	**75.63**

Remeasurement (loss)/gain on defined benefit plans[7]

As at April 1, 2023	**(0.68)**
Movement for the year 2023-24	0.12
As at March 31, 2024	**(0.56)**
Movement for the year 2024-25	(0.61)
As at March 31, 2025	**(1.17)**

Total other equity

As at April 1, 2023	**1,749.35**
Movement for the year 2023-24	579.02
As at March 31, 2024	**2,328.37**
Movement for the year 2024-25	720.49
As at March 31, 2025	**3,048.86**

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

3. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of 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 trade payables. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

5. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend."

6. Investment in Equity Instruments through other comprehensive income

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, 2025	March 31, 2024
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2024: ₹ 8.5 per share (March 31, 2023 ₹ 8.00 per share)	76.92	72.39
	76.92	**72.39**
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31,2025: ₹ 10.00 per share (March 31, 2024: ₹ 8.50 per share)	90.49	76.92
	90.49	**76.92**

* 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, 2025	March 31, 2024
Secured Borrowings carried at amortised cost		
Term loans from banks		
Indian Rupee term loan	154.71	242.48
Interest accrued but not due	1.12	1.76

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 12. Non-current Borrowings (Contd..)

	March 31, 2025	March 31, 2024
Unsecured Borrowings carried at amortised cost		
Non-Convertible Debentures	38.33	70.00
Interest accrued but not due	0.09	0.16
From Related Parties (Unsecured at amortised cost)		
Loan from Related party (Refer note 29D)	1.90	-
Interest accrued but not due (Refer note 29D)*	0.00	-
	196.15	**314.40**
Less:		
Current maturities of long-term debt (Refer note 13)	(101.38)	(119.43)
Interest accrued but not due on non-current borrowings (Refer note 17A)	(1.21)	(1.92)
	93.56	**193.05**

*Amount is less than ₹ 0.01

Note 13. Current Borrowings

	March 31, 2025	March 31, 2024
Secured - at Amortised cost		
From banks		
Current maturities of long term debt	74.71	87.76
Interest accrued but not due	2.82	2.47
Unsecured - at Amortised cost		
From others		
Current maturities of long term debt (NCD)	26.67	31.67
	104.20	**121.90**
Less:		
Interest accrued but not due on current borrowings (Refer note 17A)	(2.82)	(2.47)
	101.38	**119.43**

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, 2025	March 31, 2024
Secured				
Rupee Term Loan from Bank#	September 13, 2024	Repayable in twelve quarterly installments starting after moratorium period of 24 months	-	8.34
Rupee Term Loan from Bank&	September 27, 2026	Repayable in sixteen quarterly installments starting after moratorium period of 12 months	75.00	125.00
Rupee Term Loan from Bank^	August 31, 2025	Repayable in twenty quarterly installments	4.71	14.14
Rupee Term Loan from Bank%	October 1 , 2028	Repayable in twenty quarterly installments	75.00	95.00

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 13A. Maturity profile (Contd..)

Particulars	Maturity date	Terms of repayment	March 31, 2025	March 31, 2024
Unsecured				
Non Convertible Debentures *	December 23, 2025	Repayable in twelve quarterly installments (subject to put call option exercisable after 2 years of allotment by debenture holders and Company respectively)	15.00	35.00
Non Convertible Debentures **	March 22, 2027	Repayable in twelve quarterly installments.	23.33	35.00
Related Party^^	March 23, 2028	Mutual agreement but not later than maturity date.	1.90	-
			194.94	**312.48**

#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.

^^The Indian rupee long term loan from related party carries an interest rate of 9% p.a.

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, current ratio, total liabilities to total networth ratio and fixed asset coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans and non convertible debentures.

Note 14. Tax expenses

The major components of tax expense for the year ended March 31, 2025 and March 31, 2024 are :

Statement of profit and loss:

Profit and loss section

	March 31, 2025	March 31, 2024
Current income tax:		
Current income tax charge	264.55	195.56
Adjustment of tax relating to earlier periods	(0.73)	(1.30)
Deferred tax:		
Relating to origination and reversal of temporary differences	10.36	9.49
Tax expense reported in the statement of profit and loss	**274.18**	**203.75**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax expenses (Contd..)

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year :

	March 31, 2025	March 31, 2024
Net (loss)/ gain on Cash flow hedges	(0.29)	-
Net (loss)/ gain on remeasurements of defined benefit plans	(0.21)	0.04
Net (loss)/gain on Investment in Equity instruments	(11.63)	16.70
Income tax charged to other comprehensive income	**(12.13)**	**16.74**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024 :

	March 31, 2025	March 31, 2024
Accounting profit before tax	1,077.29	800.05
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	271.13	201.36
Effect of :		
Expense not allowed for income tax purpose (net)	3.56	3.12
Others	0.22	0.57
Tax in respect of earlier years	(0.73)	(1.30)
Total income tax expense	**274.18**	**203.75**

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2025	March 31, 2024
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	130.09	116.00
Financial assets at fair value through profit or loss	0.52	0.53
Financial assets at fair value through OCI	12.62	24.25
Derivative Instruments at fair value through profit or loss	(1.05)	(0.12)
Remeasurement of defined benefit plans	0.16	0.36
Provision for discounting of Non current assets	(2.19)	(2.48)
Provision towards trade receivables	(4.68)	(2.40)
Leases	(1.26)	(1.31)
Cash Flow Hedges	(0.29)	-
Right of use assets	1.38	1.49
Provision for Statutory dues	(1.59)	(1.52)
Provision for inventory	(0.93)	(0.81)
Employee benefits	(1.37)	(1.16)
Provision for Advance Written off	(0.10)	(0.10)
Provision for other deposit	(0.06)	(0.06)
Disallowance of long term incentive	(0.63)	(0.79)
MSME Disallowance	(0.50)	-
Net deferred tax (assets)/ liabilities	**130.12**	**131.88**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax expenses (Contd..)

Reconciliation of Deferred tax liabilities (net):

	March 31, 2025	March 31, 2024
Opening balance	**131.88**	**105.65**
Tax (income)/expense during the period recognised in profit or loss	10.36	9.49
Tax (income)/expense during the period recognised in OCI	(12.13)	16.74
Closing balance	**130.12**	**131.88**

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.

Note 15. Other Liabilities

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Statutory dues	10.46	-	6.90	-
Contract Liabilities	112.75	260.90	35.79	-
	123.21	**260.90**	**42.69**	**-**

Note 16A. Acceptances

	March 31, 2025	March 31, 2024
Acceptances	394.61	229.71
	394.61	**229.71**

Notes :-

1. 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

Note 16B. Trade payables

	March 31, 2025	March 31, 2024
Current		
Trade payables#		
a) total outstanding dues to micro enterprises and small enterprises (Refer note 37)	20.17	8.08
b) total outstanding dues to creditors other than micro enterprises and small enterprises	166.63	95.66
	186.80	**103.74**

Break up of trade payables

	March 31, 2025	March 31, 2024
Trade Payables other than related parties	183.03	94.12
Trade Payables to related parties (Refer note 29D)	3.77	9.62
	186.80	**103.74**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 16A. Trade payables (Contd..)

Trade payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2025				
		<1 Year	1 - 2 Years	2-3 Years	> 3 Years	Total
(i) Undisputed dues- MSME *	18.68	1.47	0.02	0.00	0.00	20.17
(ii) Undisputed dues- Others	160.13	6.05	0.07	0.32	0.06	166.63
Total	**178.81**	**7.52**	**0.09**	**0.32**	**0.06**	**186.80**

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
(ii) Undisputed dues- Others	79.00	16.25	0.34	0.06	0.01	95.66
Total	**85.80**	**17.51**	**0.35**	**0.07**	**0.01**	**103.74**

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. There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule.

*Amount is less than ₹ 0.01

Note 17A. Other current financial liabilities

	March 31, 2025	March 31, 2024
Derivative Instruments at fair value through Profit & Loss		
Fair valuation of derivative contracts (Refer note 31)	5.31	0.49
	5.31	**0.49**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (Refer note 12)	1.21	1.92
Interest accrued on current borrowings (Refer note 13)	2.82	2.47
Interest Payable - Related Party (Refer note 12)*	0.00	-
	4.03	**4.39**
Others		
Capital creditors	7.05	12.37
Capital creditors - Related Party (Refer Note 29D)	0.02	0.02
Employees related payable	39.91	33.56
Refund liability towards trade discounts	5.97	5.06
Unclaimed dividend	0.07	0.07
	53.02	**51.08**
	62.36	**55.96**

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 and acceptances.

*Amount is less than ₹ 0.01

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 17B. Current Provisions

	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for gratuity	1.11	-
Provision for leave encashment	5.45	4.59
	6.56	**4.59**

Note 18. Revenue from operations

	March 31, 2025	March 31, 2024
Sale of products & services (Refer note 35)	4,353.78	3,621.96
	4,353.78	**3,621.96**
Other operating revenues:		
Income under Package Scheme of Incentives (net of discounting)*	56.36	50.61
Scrap Sales	3.81	2.96
Sale of Stores, Spare and Consumables	8.35	16.09
Others#	34.30	25.90
	4,456.60	**3,717.52**

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 ₹ 63.20 Cr (previous year ₹ 60.67Cr).

#Includes duty drawback and other ancillary income.

Note 19. Other income

	March 31, 2025	March 31, 2024
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	52.75	31.19
others	8.43	14.33
On deposits with bank	0.95	0.18
Profit on sale of investments carried at fair value through profit or loss	7.56	4.35
Net gain on disposal of property, plant and equipment	0.05	2.53
Net gain on financial assets mandatorily measured at fair value through profit or loss	-	1.89
Net gain on foreign currency transaction and translation	9.37	-
Provision write back	-	0.01
Insurance claim received	0.77	1.28
Miscellaneous Income	3.87	2.58
	83.75	**58.34**

Note 20. Cost of materials consumed

	March 31, 2025	March 31, 2024
Raw materials and packing materials at the beginning of the year	175.86	356.20
Add: Purchases during the year	2,482.57	1,868.29
Less: Raw materials and packing materials at the end of the year	303.98	175.86
	2,354.45	**2,048.63**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2025	March 31, 2024
Opening balance		
Work-in progress	28.46	34.16
Finished goods & Scrap goods	31.73	47.66
Stock-in-trade	1.88	0.47
	62.07	**82.29**
Closing balance		
Work-in progress	37.17	28.46
Finished goods & Scrap goods	28.96	31.73
Stock-in-trade	1.76	1.88
	67.89	**62.07**
(Increase)/ Decrease in Inventory		
Work-in progress	(8.71)	5.70
Finished goods & Scrap goods	2.77	15.93
Stock-in-trade	0.12	(1.41)
	(5.82)	**20.22**

Note 22. Employee benefit expense

	March 31, 2025	March 31, 2024
Salaries and wages (including bonus)	92.52	73.30
Remuneration to directors	27.34	20.63
Contribution to provident and other funds (Refer note 27)	6.64	5.65
Staff welfare expenses	6.92	4.82
Total - A	**133.42**	**104.40**
Labour charges (including bonus)	98.86	81.11
Total - B	**98.86**	**81.11**
Total expense (A+B)	**232.28**	**185.51**

Note 23. Finance costs

	March 31, 2025	March 31, 2024
Interest*		
To banks#	28.48	26.82
To related parties**	0.00	2.27
To Others	-	0.20
Interest on lease liabilities	0.45	0.29
	28.93	**29.58**

*Net of borrowing costs capitalised (Refer note 3A)

Includes related hedging cost

** Amount is less than 0.01

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Note 24. Depreciation and amortization expense

	March 31, 2025	March 31, 2024
Depreciation of Property, Plant & Equipement (Refer note 3A)	69.88	59.48
Amortization of intangible assets (Refer note 3B)	3.04	2.61
Depreciation of Right-of-use assets (Refer note 3C)	1.72	1.28
	74.64	**63.37**

Note 25. Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spares	23.81	19.02
Repairs and maintenance :		
Plant and machinery	16.47	12.85
Buildings	2.95	4.11
Others	8.21	7.11
Water and electricity charges	51.11	42.42
Rates and taxes	4.03	3.80
Legal and professional fees	14.12	10.65
Travelling and conveyance	12.92	9.90
Sales commission expenses	11.57	13.82
Freight and forwarding charges	245.53	133.18
Transportation charges	44.09	42.58
Pump truck expenses	25.08	19.84
Security service charges	8.20	6.47
Sales promotion expenses	12.76	10.99
Donations	3.32	3.96
Advertisement expenses	2.52	2.74
Directors' sitting fees	0.47	0.39
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.21	-
Bad debts written off	0.41	0.59
Net loss on foreign currency transaction and translation	-	7.77
Impairment loss on financial assets	9.05	2.49
Property, plant and equipment discarded	-	1.13
Corporate Social Responsibility expenditure (Refer note 25(b))	11.82	8.45
Payments to auditors (Refer note 25(a))	2.17	1.88
Testing Charges	0.44	0.88
Insurance Charges	9.60	9.36
Information Technology expenses	11.05	7.77
Miscellaneous expenses (mainly includes bank charges, factory, communication, office expenses,conveyance etc)	15.49	11.75
	547.40	**395.90**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 25(a). Details of payments to auditors

	March 31, 2025	March 31, 2024
Payment to auditors		
As auditor:		
Audit fee	1.52	1.30
Limited Review	0.53	0.48
In other capacity		
Certification Fees	0.05	0.05
Others (Including technology surcharge and out of pocket expense etc.)	0.07	0.05
	2.17	**1.88**

Note 25(b). CSR expenditure

	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Company during the year	11.80	8.15
b) Amount approved by the Board to be spent during the year	11.80	8.15
c) Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	32.46	8.45
d) Details related to spent / unspent obligation :		
i) Promotion of Education	6.98	0.07
ii) Promoting Health Care	2.84	5.75
iii) Animal Welfare and Rural Development	0.50	2.12
iv) Contribution to Empowerment of Women and Skill Development	0.36	0.51
v) Protection of national heritage, art & culture:	21.28	-
vi) Ensuring Environment Sustainability	0.50	-
	32.46	**8.45**

Details of other than ongoing project

In case of S. 135(5) Excess amount spent			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
-	11.80	32.46	20.66

Note 26. Earnings per share (EPS)

	March 31, 2025	March 31, 2024
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	803.11	596.30
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 (₹)	**88.75**	**65.90**
Nominal value of shares (₹)	**2.00**	**2.00**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (Refer note 29). The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarizes 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, 2025	March 31, 2024
Service cost	1.78	1.39
Net interest cost	(0.05)	(0.13)
Expense recognized in the statement of Profit and Loss	**1.73**	**1.26**

Other Comprehensive Income

	March 31, 2025	March 31, 2024
Actuarial gain / (loss) on liabilities	(0.79)	0.18
Actuarial gain / (loss) on assets	(0.03)	(0.02)
Closing amount recognized in OCI	**(0.82)**	**0.16**

The amount recognized in Balance Sheet

	March 31, 2025	March 31, 2024
Present value of funded obligations	17.71	14.65
Less :- Fair value of plan assets	16.60	15.32
Net defined benefit liability / (assets) recognized In balance sheet	**1.11**	**(0.67)**

Change in Present Value of Obligations

	March 31, 2025	March 31, 2024
Opening defined benefit obligations	14.65	12.77
Service cost	1.78	1.39
Interest Cost	1.05	0.94
Benefit Paid	(0.56)	(0.27)
Actuarial (gain)/ loss on total liabilities	0.79	(0.18)
Closing defined benefit obligations	**17.71**	**14.65**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations (Contd..)

Change in Fair Value of Plan Assets

	March 31, 2025	March 31, 2024
Opening fair value of plan assets	15.32	14.49
Actual Return on Plan Assets	1.07	1.05
Employer Contribution	0.77	0.05
Benefit Paid	(0.56)	(0.27)
Closing fair value of plan assets	**16.60**	**15.32**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2025	March 31, 2024
Investments with insurer (LIC)	72%	69%
Investments with insurer (ICICI)	28%	31%

The significant actuarial assumptions were as follows :

	March 31, 2025	March 31, 2024
Discount Rate	6.54% per annum	7.19% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of Return on Plan Assets	7.19% per annum	7.36% 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 average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2024: 6 years).

The expected contribution for defined benefit plan for the next financial year is ₹ 3.08 Cr.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2025	Impact (Absolute)	Impact (%)
Base Liability	17.71		
Increase Discount Rate by 0.50%	17.30	(0.41)	-2.29%
Decrease Discount Rate by 0.50%	18.13	0.43	2.40%
Increase Salary Inflation by 1.00%	18.54	0.83	4.69%
Decrease Salary Inflation by 1.00%	16.94	(0.77)	-4.37%
Increase in Withdrawal Assumption by 5.00%	17.31	(0.40)	-2.28%
Decrease in Withdrawal Assumption by 5.00%	18.29	0.58	3.26%

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit obligations (Contd..)

	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 6.54% per annum and salary inflation rate of 8.00% per annum for all future years.

Note 28A. Capital Commitments

	March 31, 2025	March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	70.43	66.53

Note 28B. Contingent liabilities

	March 31, 2025	March 31, 2024
Guarantees		
Corporate guarantees given by the Company on behalf of its overseas subsidiaries in respect of loans taken	546.81	473.93
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	227.78	301.99
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters including GST	9.47	12.41
Sales tax / VAT related matters	0.72	1.15

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 and hence 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. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information

Sr. No.	Name of related party and relationship	Country of Incorporation
A	**Subsidiaries (where control exists):-**	
I	**Direct Subsidiaries**	
1	Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited) (Note v)	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 Aerospace Limited (Note - i and iv)	India
8	Solar Overseas Mauritius Limited	Mauritius
II	**Indirect Subsidiaries**	
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	Kazakhstan
	Solar Nitro (SL) Limited (Note-i)	Sierra Leone
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	Kazakhstan

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Sr. No.	Name of related party and relationship	Country of Incorporation
viii)	**Subsidiary of Solar Minning Services PTY Limited South Africa**	
	Problast BS (Pty) Ltd (Note vi)	South Africa
	Maxigear (Pty) Ltd (Note vi)	South Africa
	Frag Shared Services (Pty) Ltd (Note vi)	South Africa
	Procapture (Pty) Ltd (Note vi)	South Africa
	Problast BBBEE Investment Co. (Pty) Ltd (Note vi)	South Africa

Note - i: The entity has not commenced its business operations

Note - ii: The entity is under liquidation

Note- iii: Emul Tek Private Limited obtained control of Rajasthan Explosives and Chemicals Limited with effect from December 16,2023. Rajasthan Explosives and Chemicals Limited subsequently got merged with Emul Tek Private Limited as per NCLT order with effect from October 17, 2024.

Note-iv : The entity incorporated on June 10, 2024

Note- v: The Name of the Company has been changed with effect from February 17, 2025.

Note-vi: The entity acquired w.e.f. July 1, 2024

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

IV Non Executive Independent Directors **

Shri Natrajan Ramakrishnan

Shri Jagdish Belwal

Smt Rashmi Prasad

Shri Dinesh Kumar Batra (Appointed w.e.f. April 1, 2024)

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)

** Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2024-25.

The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

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)

Ortiz Investments Pty Limited

VII Post Employment Benefit Plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

(Post employment benefit plan of the Company)

Refer note 27 for information on transactions with post employment benefit plan mentioned above

Note - i: The entity has not commenced its business operations

C. Transactions with related parties during the year

Nature of Transaction	March 31, 2025	March 31, 2024
Sales of products and services		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	107.27	111.29
Emul Tek Private Limited	16.21	3.75
Solar Explochem Limited	0.01	-
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	62.63	47.93
Solar Explochem Zambia Limited	47.50	24.56
P.T. Solar Mining Services, Indonesia	8.83	6.91
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	52.47	68.95
Solar Mining Services Pty Ltd, South Africa	143.24	85.64
Solar Mining Services Pty Ltd, Australia	136.66	143.28
Solar Nitro Ghana Limited	22.11	16.17
Solar Nitro Chemicals Limited	33.83	15.32
Total	**630.76**	**523.80**
Other operating income		
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited) - Technical consultancy	2.59	3.60
Emul Tek Private Limited - Transportation	3.09	1.00
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)- Transportation	3.20	2.92
Other Income (Arrangement fees)		
Solar Overseas Mauritius Limited	0.81	0.33
Solar Mining Services Pty Ltd, South Africa	0.36	0.52
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	0.05	0.05
Solar Nitro Ghana Limited	0.16	0.27
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.32	0.30
Solar Mining Services (Pty) Ltd Australia	0.33	0.25

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2025	March 31, 2024
Cross Charges recovered		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	1.39	0.33
Emul Tek Private Limited	0.21	0.14
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	0.50	0.61
Solar Explochem Zambia Limited	0.25	0.15
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.71	0.56
Solar Mining Services Pty Ltd, South Africa	0.25	0.21
Solar Nitro Ghana Limited	0.09	0.06
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	-	0.04
Solar Mining Services Pty Ltd, Australia	0.15	0.09
Pt. Solar Mining Services, Indonesia*	0.02	0.00
Solar Madencilik Hizmetleri Anonim Sirketi	0.02	0.04
Solar Nitro Chemicals Limited, Tanzania	0.10	0.02
Total	**14.60**	**11.49**
Sale of property, plant & equipment and project sales		
Emul Tek Private Limited	0.07	1.06
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	0.01	0.14
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	5.13	-
Solar Explochem Zambia Limited	3.83	-
Pt. Solar Mining Services, Indonesia	-	5.62
Solar Nitro Chemicals Limited, Tanzania	2.85	-
Total	**11.89**	**6.82**
Purchase of raw material, components and property, plant & equipment		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	305.48	371.51
Solar Mining Services Pty Ltd, Australia	0.02	0.03
Emul Tek Private Limited	0.85	0.01
Solar Explochem Ltd.	0.31	0.04
Total	**306.66**	**371.59**
Sales commission expense		
Emul Tek Private Limited	-	0.26
Total	**-**	**0.26**
Purchase of import license		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	0.30	0.48
Total	**0.30**	**0.48**
Other Expenditure		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)-Transportation	0.56	0.59
Solar Synthetics Private Limited (Rent)	0.04	0.04
Total	**0.60**	**0.63**
Investment		
Solar Explochem Limited	-	9.45
Solar Aerospace Limited	0.05	-
Total	**0.05**	**9.45**
Loan converted into equity investment		
Solar Overseas Mauritius Ltd.	248.01	166.79
Total	**248.01**	**166.79**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2025	March 31, 2024
Loans given/ (repaid) during the year		
Given		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	771.65	-
Emul Tek Private Limited	158.68	63.10
Solar Explochem Limited	143.94	28.75
Solar Overseas Mauritius Limited - Loan	351.55	111.70
	1,425.82	**203.55**
Repaid		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	(771.65)	-
Solar Overseas Mauritius Limited	(60.45)	(73.17)
Emul Tek Private Limited	(86.93)	-
	(919.03)	**(73.17)**
Total (net)	**506.79**	**130.38**
Loans taken/ (repaid) during the year		
Taken		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	1.90	431.25
Repaid		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	-	(470.35)
Total	**1.90**	**(39.10)**
Interest income		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	5.64	-
Solar Explochem Limited	8.71	1.80
Emul Tek Private Limited	11.43	3.23
Solar Overseas Mauritius Limited	26.97	26.17
Total	**52.75**	**31.20**
Interest Paid		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)*	0.00	2.27
Total	**0.00**	**2.27**
Remuneration to KMP**		
Short-term employee benefits ***		
Shri Manish Nuwal	24.00	18.30
Shri Suresh Menon##	2.05	1.18
Shri Milind Deshmukh##	1.59	1.21
Shri Moneesh Agrawal##	0.56	0.47
Smt. Shalinee Mandhana##	0.49	0.41
Smt. Khushboo Pasari##	0.29	0.26
Total	**28.98**	**21.83**
Sitting fees		
Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)	-	0.14
Smt Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)	-	0.03
Shri Natrajan Ramkrishna	0.13	0.11
Shri Jagdish C Belwal	0.19	0.08
Smt Rashmi Prasad	0.10	0.03
Shri Dinesh Kumar Batra (Appointed w.e.f 01.04.2024)	0.05	-
Total	**0.47**	**0.39**

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2025	March 31, 2024
Guarantee given/(extinguished)/ expired on behalf of subsidiary		
Solar Overseas Mauritius Limited (Net)	33.19	(45.90)
Solar Mining Services Pty Limited, South Africa	(27.98)	-
Solar Mining Services Pty Limited, Australia	(25.96)	-
Total	**(20.75)**	**(45.90)**

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 at 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

**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

\## Remuneration paid to KMP includes performance linked incentives for FY 2024-25 paid in FY 2025-26

D. Balance outstanding at the year end are as follows:

	March 31, 2025	March 31, 2024
Loans Given		
Solar Explochem Limited	180.96	37.03
Solar Overseas Mauritius Limited	256.41	206.41
Emul Tek Private Limited	166.86	95.11
Total	**604.23**	**338.55**
Other Financial Assets (Accrued Interest)		
Solar Explochem Limited	9.45	1.62
Emul Tek Private Limited	2.52	0.96
Solar Overseas Mauritius Limited	11.97	15.84
Total	**23.94**	**18.42**
Trade receivables		
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	34.11	40.31
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	69.65	27.56
Solar Mining Services Pty Limited, South Africa	120.94	96.08
Solar Explochem Zambia Limited	5.34	0.22
Emul Tek Private Limited	9.83	1.52
Solar Explochem Limited	0.01	-
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	7.25	1.15
Solar Mining Services Pty Limited, Australia	99.58	81.39
Solar Overseas Mauritius Limited	-	0.08
P.T. Solar Mining Services	2.63	11.32
Solar Nitro Chemicals Limited	15.17	10.03
Solar Nitro Ghana Limited	10.89	12.64
Solar Madencilik Hizmetleri A.S.	0.03	-
Total	**375.43**	**282.30**
Other Receivable		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	0.56	-
Total	**0.56**	**-**
Trade payables/ Other payables		

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

	March 31, 2025	March 31, 2024
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	3.45	9.35
Emul Tek Private Limited	0.09	0.12
Solar Mining Services Pty Limited, Australia	0.06	0.01
Solar Synthetics (P) Limited	0.18	0.14
Shri Manish Nuwal	10.94	7.69
Shri Kailashchandra Nuwal (Note 29 F)	0.13	0.13
Total	**14.85**	**17.44**
Capital creditors		
Solar Mining Services (Pty) Limited, Australia	0.02	0.02
Total	**0.02**	**0.02**
Loan Taken		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)	1.90	-
Total	**1.90**	**-**
Interest Payable		
Solar Defense and Aerospace Limited (Formerly known as Economic Explosives Limited)*	0.00	-
Total	**0.00**	**-**

E. Balance of guarantees outstanding at the year end are as follows:

	March 31, 2025	March 31, 2024
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	477.78	433.35
Solar Mining Services Pty Limited, South Africa	60.26	86.29
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	128.21	125.10
Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	19.06	18.60
Solar Nitro Ghana Limited	12.82	12.51
Solar Mining Services Pty Limited, Australia	76.46	100.08
Total	**774.59**	**775.93**

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

G Terms and conditions of transactions with related parties

(i) Sales to related parties and concerned balances

(a) For terms of transaction

Sales are made to related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees sales price, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties, who purchase goods and services of the Company in similar quantities. Such sales generally include payment terms requiring related party to make payment within 30 days for domestic related parties and 30-270 days for international related parties from the date of invoice.

(b) For terms of balance

Trade receivables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these receivables. For the year ended March 31, 2025, the Company has recorded impairment on receivables due from related parties of Rs. 0.34 (March 31, 2024: 5.48).

(ii) Purchases of goods and related balances

(a) For terms of transaction

Purchases are made from related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees purchase price and payment terms with the related parties by benchmarking the same to transactions with non-related parties entered into by the counter-party and similar purchase transactions entered into by the Company with the other non-related parties.

(b) For terms of balance

Trade payables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been given against these payables.

(iii) Services rendered to related parties

The Company has entered into contract with related party for rendering the licensing, techinical consultancy and transportation services,employee services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(iv) Services received from related parties

The Company has rereceived licencing, commission-based services and transportation services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(v) Items of Property, Plant and Equipment (PPE) purchased from the related party

During the year 2024-25, the Company purchased items of PPE from Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited). The purchase was made on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(vi) Items of Property, Plant and Equipment (PPE) sold to the related party

During the year 2024-25, the Company sold items of PPE to Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited) and Emul Tek Private Limited. The sales were made on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(vii) Loans given to related parties

(a) The loan granted to direct subsidary was given in the year 2024-25 for business purpose. The loan has been utilized by the subsidaries for the purpose it was obtained. The loan carries interest at 9% - 9.5% p.a. For the year ended March 31, 2025, the Company has not recorded any impairment on loans due from subsidaries (March 31, 2024: Nil).

(viii) Loans taken from the related parties

(a) The loan taken from direct subsidary in the year 2024-25 for business purpose. The loan carries interest at 9% p.a. which is at arms length and not prejudicial to the interest of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29. Related Party Information (Contd..)

(ix) Guarantees given on behalf of related parties

The Company has given guarantee against loan amounting to INR 774.59 Crore obtained from bank to finance the working capital and operational requirement. The Company expects that subsidaries will make payment to the bank when the loan is repayable. For the year ended March 31, 2025, the Company has not recorded any impairment on guarantee arrangement (31 March 2024: Nil).

(x) Compensation to KMP of the Company

The amounts disclosed in the table of Note 29 (c) represents the expense recognised,which includes remuneration paid during the financial year related to KMPs as approved by the respective committees. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable.

(xi) Compensation to Independent directors of the Company

The amounts disclosed in the table of Note 29 (c) represents director sitting fees paid during the financial year related to independent director as approved by the respective committees.

Note 30. Segment Information

The Company has identified 'Explosives and its accessories and related services', 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair value measurements (Contd..)

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, 2025 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, 2025 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	579.74	4	-	-	-
Loans	604.23	5	-	-	-
Other financial assets (except derivatives)	190.77	6	-	-	-
Trade receivables	786.52	7	-	-	-
Cash and cash equivalents	192.92	8	-	-	-
Bank balances other than cash and cash equivalents	3.25	8	-	-	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted)	105.75	4	-	-	105.75
(includes compulsorily convertible preference shares)					
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.97	4	-	-	0.97
Investment in SBI Overnight Fund (Direct Growth)	172.50	4	172.50	-	-
Total Financial Assets	**2,636.65**		**172.50**	**-**	**106.72**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	93.56	12	-	-	-
Current	101.38	13	-	-	-
Acceptances	394.61	16A	-	-	-
Trade payables	186.80	16B	-	-	-
Lease liabilities	5.01	3C	-	-	-
Other financial liabilities (except derivatives)	57.05	17A	-	-	-
Derivative Instruments not designated as hedge	5.31	17A	-	5.31	-
Total Financial Liabilities	**843.72**		**-**	**5.31**	**-**

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, 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	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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)
Trade receivables	605.12	7	-	-	-
Cash and cash equivalents	62.07	8	-	-	-
Bank balances other than cash and cash equivalents	3.11	8	-	-	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted)	121.61	4	-	-	121.61
(includes compulsorily convertible preference shares)					
Fair value through profit & 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	-	-	-
Acceptances	229.71	16A	-	-	-
Trade payables	103.74	16B	-	-	-
Lease liabilities	5.21	3C	-	-	-
Other financial liabilities (except derivatives)	55.47	17A	-	-	-
Derivative Instruments not designated as hedge	0.49	17A	-	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 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 mitigatory 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 review and agree policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Loan		
Market Risk-Foreign Exchange risk	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options/forward contracts
Market Risk- Equity price risk	Investment in Equity Securities, mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letter of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of 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 ₹ 0.97 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 ₹ 0.52 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 relate 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, 2025	March 31, 2024
Derivatives not designated as hedge			
Forward contract	USD	359.75	171.53

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2025							March 31, 2024						
	USD	SEK	ZAR	TRY	EUR	GBP	AUD	USD	SEK	ZAR	TRY	EUR	GBP	AUD
Trade Receivable	299.01	-	120.94	69.65	-	-	99.52	193.92	-	96.09	27.56	46.04	-	81.19
Loans	256.41	-	-	-	-	-	-	206.42	-	-	-	-	-	-
Other Financial Assets	11.97	-	-	-	-	-	-	15.84	-	-	-	-	-	-
Capital Creditors	0.02	-	-	-	-	-	-	0.02	0.19	-	-	-	0.68	-
Trade Payables *	8.37	0.22	-	-	0.04	-	0.06	-	-	-	-	0.04	-	0.01
Acceptances	5.81	-	-	-	-	-	-	-	-	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

	March 31, 2025	March 31, 2024
USD	5.53	4.16
SEK *	(0.00)	(0.00)
ZAR	1.21	0.96
TRY	0.70	0.28
GBP*	-	(0.01)
EURO*	(0.00)	0.46
AUD	0.99	0.81

* 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 invested 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, 2025	March 31, 2024
Investment in mutual funds	172.50	213.44

The impact of increases/ decreases of the BSE/ NSE index on the Company's investments and gain/ loss for the year would be ₹ 1.73 (March 31, 2024: ₹ 2.13) (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.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

Loans: The Company has given loans to subsidiaries. However there is no counter party risk. (Refer note 5)

Trade and other receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends."

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2025	726.05	38.36	40.70	805.11
As at March 31, 2024	476.16	63.88	74.62	614.66

The following table summarizes the changes in the provisions made for the receivables:

	March 31, 2025	March 31, 2024
Opening balance	9.54	7.05
Provided/(Reversed) during the year	9.05	2.49
Closing balance	**18.59**	**9.54**

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. The 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, 2025						
Borrowings						
From Banks (net of interest accrued but not due)	-	19.85	54.86	80.00	-	154.71
From related party	-	-	-	1.90	-	1.90
Non Convertible Debenture	-	7.91	18.75	11.67	-	38.33
Acceptances		247.90	146.71	-	-	394.61
Trade payables	-	186.80	-	-	-	186.80
Other financial liabilities (excluding derivatives and lease liabilities)	0.07	39.96	15.87	1.15	-	57.05
Lease liabilities (Gross)	-	0.48	1.41	3.63	0.32	5.84
Derivative Instruments	-	0.84	4.47	-	-	5.31
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
Acceptances	-	169.39	60.32	-	-	229.71
Trade payables	-	103.74	-	-	-	103.74

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial risk management objectives and policies (Contd..)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
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	6.35
Derivative Instruments	-	0.49	-	-	-	0.49

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, 2025	March 31, 2024
Net Debt (see note below)	(171.41)	36.09
Equity	3,066.96	2,346.47
Capital Employed	**2,895.55**	**2,382.56**
Net Gearing ratio	**-**	**1.51%**

*Net Gearing Ratio for March 31,2025 not calculated since net debt is negative

Note:-

Calculation of net debt is as follows :

	March 31, 2025	March 31, 2024
Borrowings		
Non-Current	93.56	193.05
Current	101.38	119.43
	194.94	**312.48**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	193.85	62.95
Current Investments	172.50	213.44
	366.35	**276.39**
Net Debt	**(171.41)**	**36.09**

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, 2025 and March 31, 2024.

Notes to Standalone Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Note 34. Research & Development Expenditure:

Nature	March 31, 2025	March 31, 2024
Revenue Expenditure	0.53	0.86
Total	**0.53**	**0.86**

Note:-

Revenue expenditure incurred on R&D has been included in the respective account heads in the Statement of Profit and Loss.

Note 35. Revenue from operations

a. Principal revenue generation activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Company's disaggregated revenue by geographical location.

	March 31, 2025	March 31, 2024
India	2,765.71	2,661.53
Rest of the World	1,588.07	960.43
Total	**4,353.78**	**3,621.96**

c. Timing of revenue recognition

	March 31, 2025	March 31, 2024
From transfer of goods and services at a point in time	4,353.78	3,621.96
Total	**4,353.78**	**3,621.96**

d. 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, 2025.

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, 2025	March 31, 2024
Trade Receivables	786.52	605.12
Contract Liabilities	373.65	35.79

e. Set out below is the amount of revenue recognised from :

	March 31, 2025	March 31, 2024
Amounts included in contract liabilities at the beginning of the year	35.53	28.23

Increase/ (decrease) in contract liability is mainly on account of receipt from customers and revenue recognized during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 35. Revenue from operations (Contd..)

f. Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	March 31, 2025	March 31, 2024
Revenue as per contracted price	4,398.28	3,663.29
Adjustments for:		
Rebates, Discounts, Powder Factor and other deductions	(44.50)	(41.33)
Revenue from contract with customers	**4,353.78**	**3,621.96**

g. 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, 2025, the aggregate amount of the transaction price allocated to order backlog was ₹ 10,380.81 Cr (March 31, 2024 - ₹ 4,340.78). The Company expects to recognise revenue within 6 years.

Note 36. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2025	March 31, 2024	% change	Reason for varaince
Current Ratio	Current Asset	Current Liabilities	2.20	2.50	-12.00%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.13	-53.85%	Ratio has improved on account of repayment of long term borrowing and increase in retained earning.
Debt Service Coverage Ratio	Earning available for Debt Service#	Debt Service^	7.53	6.64	-13.40%	
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	29.67%	28.99%	2.35%	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	43.69	34.78	25.62%	Ratio has improved on account of reduction in value of average inventory.
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	6.13	6.24	-1.76%	
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payable	5.93	5.78	2.60%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital	4.11	4.47	-8.05%	
Net Profit Ratio	Net Profit after Tax	Revenue from operation	18.02%	16.04%	12.34%	
Return on Capital Employed Ratio	Earning Before Interest and Taxes	Average Capital Employed*	35.78%	32.63%	9.65%	
Return on Investment Ratio	Non operating income from investment	Average Investment**	3.36%	5.31%	-36.72%	Ratio has decreased due to increase in average investment.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 37. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2025	March 31, 2024
Principal amount outstanding (whether due or not) to micro and small enterprises	20.17	8.08
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.

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 current and previous 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 HANA database. Further no instance of audit trail feature being tampered with was noted in respect of software.

Additionally, the audit trail of prior year(s) has been preserved by the company as per the Statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Notes to Standalone Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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 20, 2025, there are no subsequent events to be recognized or reported.

Note 41 : The Company has reclassified acceptances as on March 31, 2025 of Rs. 394.61 (previous year Rs. 229.71) from trade payable to separate line item on the face of balance sheet. The Company has assessed that reclassification is required as the liability against the vendor is discharged on issue of acceptances. Further, the said change is not material and does not impact any key indicators of the Company. Additionally, 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 20, 2025

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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

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 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, a jointly controlled entity and joint operations comprising of the consolidated Balance sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including the Statement of 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, a jointly controlled entity and joint operations, 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, a jointly controlled entity and joint operations as at March 31, 2025, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, a jointly controlled entity and joint operations 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, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition *(as described in note 2.2(j) of the consolidated financial statements)*	
Revenue from sale of goods is recognized as outlined in note 20 of the consolidated financial statements. The Holding Company estimates the provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on estimate of powder factor achieved on current sales which is reduced from the sales for the period.	Our audit procedures included, amongst others the following: • Evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). • Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision.

Key audit matters	How our audit addressed the key audit matter
As at March 31, 2025, the Holding Company is carrying a powder factor provision of Rs. 23.39 crore. This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.	• Read the agreement with customers for validating terms relating to powder factor. • Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. • We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. • Evaluated the historical trend against the actual powder factor deduction. • Assessed and read the disclosures made by the Company in the consolidated financial statements.
Fair Valuation of Non-current Investments *Investments (as described in note 2.2 (y) of the consolidated financial statements)*	
The Holding Company has classified certain investment amounting to Rs. 105.76 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 determine this to be a key audit matter.	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 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 Holding 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 operations in South Africa. The subsidiary company has incurred significant losses in recent financial years. The management has recognised deferred tax assets on these losses amounting to Rs. 86.67 crore as at March 31, 2025 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 subsidiary 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 to the forecasted 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.

We have determined that there are no other key audit matters to communicate in our report.

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, a jointly controlled entity and joint operations 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, a jointly controlled entity and joint operations 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, a jointly controlled entity and joint operations 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, a jointly controlled entity and joint operations 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 objective is 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, a jointly controlled entity and joint operations 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, a jointly controlled entity and joint operations 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, a jointly controlled entity and joint operations 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, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 5 subsidiaries, whose financial statements include total assets of Rs. 479.73 crore as at March 31, 2025, and total revenues of Rs. 296.66 crore and net cash inflows of Rs. 2.77 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 20 subsidiaries, and 2 joint operations, whose financial statements include total assets of Rs. 5,160.38 crores as at March 31, 2025, and total revenues of Rs. 2,948.44 crore and net cash inflows of Rs. 62.15 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 joint operations, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint operations, is based solely on the reports of such other auditors.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 279.40 crore as at March 31, 2025, and total revenues of Rs. 9.46 crore and net cash inflows of Rs. 8.32 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 5.55 crore for the year ended March 31, 2025, 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 relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, 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, 2025 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, 2025 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 incorporated in India, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company & its subsidiaries incorporated in India to their directors are 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 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, associates, jointly controlled entity and joint operations, 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, jointly controlled entity and joint operations in its consolidated financial statements – Refer Note 29 B 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 21 to the consolidated financial statements in respect of such items as it relates to the Group and joint operations 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 and its subsidiaries incorporated in India during the year ended March 31, 2025.

      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 persons 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 persons 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 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 incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective 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 42 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 where the audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Holding Company and the above referred subsidiaries as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years as stated in Note 42 to the financial statements.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

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(i)(c)
2	Solar Defence and Aerospace Limited (formerly known as Economic Explosives Limited)	U24292MH1995PLC091808	Subsidiary	3(i)(c)
3	Emul Tek Private Limited	U24292MH2000PTC274027	Subsidiary	3(i)(c)

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

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, 2025, 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, 2025, 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 8 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: 25039895BMJLZB5904

Place: Nagpur
Date: May 20, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah
Partner
Membership No.: 110829
UDIN: 25110829BMLZJQ8324

Place: Nagpur
Date: May 20, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3A	2,469.81	1,919.14
Capital work-in-progress	3A	703.38	487.36
Goodwill	3B	110.56	29.81
Other Intangible assets	3C	69.49	41.60
Intangible assets under development	3C	3.60	2.43
Right-of-use assets	3D	42.15	37.17
Financial assets			
Investments	4	110.95	128.64
Investments accounted using equity method	4	36.35	27.83
Loans	5	32.55	32.58
Other financial assets	6	144.19	113.58
Deferred tax assets (net)	9	155.78	160.16
Current tax assets (net)		19.62	8.92
Other non-current assets	11	236.38	99.60
Total non-current assets		**4,134.81**	**3,088.82**
Current assets			
Inventories	10	1,039.98	846.82
Financial assets			
Investments	4	528.97	213.44
Trade receivables	7	1,238.58	844.85
Cash and cash equivalents	8	590.43	258.98
Bank balances other than cash and cash equivalents	8	135.05	28.28
Loans	5	2.09	3.22
Other financial assets	6	168.48	154.29
Other current assets	11	418.95	298.50
Total current assets		**4,122.53**	**2,648.38**
Non-current assets classified as held for sale	3E	3.98	-
Total assets		**8,261.32**	**5,737.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	4,368.24	3,287.50
Equity attributable to shareholders		**4,386.34**	**3,305.60**
Non-controlling interests		150.28	121.65
Total equity		**4,536.62**	**3,427.25**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	393.88	583.55
Lease Liabilities	3D	23.78	23.76
Deferred tax liabilities (net)	19	218.99	197.78
Other non-current liabilities	17	968.85	-
Provisions	18	5.32	3.44
Total Non-current liabilities		**1,610.82**	**808.53**
Current liabilities			
Financial liabilities			
Borrowings	14	545.71	521.42
Lease Liabilities	3D	11.58	9.11
Acceptances	15A	394.61	229.71
Trade payables	15B	492.52	322.94
Other financial liabilities	16	164.76	107.37
Current tax Liabilities (net)		53.00	18.69
Other current liabilities	17	427.84	276.70
Provisions	18	23.86	15.48
Total current liabilities		**2,113.88**	**1,501.42**
Total liabilities		**3,724.70**	**2,309.95**
Total equity and liabilities		**8,261.32**	**5,737.20**
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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

Consolidated Statements of Profit and Loss

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	20	7,540.26	6,069.52
Other income	21	70.83	44.47
Total income		**7,611.09**	**6,113.99**
Expenses			
Cost of materials consumed	22A	3,375.36	2,709.97
Purchases of stock-in-trade		557.44	402.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	(25.51)	83.62
Employee benefit expense	23	600.07	433.46
Depreciation and amortization expense	26	181.50	143.38
Other expenses	24	1,072.54	1,070.68
Finance costs	25	116.50	109.37
Total expenses		**5,877.90**	**4,953.06**
Profit before Share of Profit / (Loss) of joint ventures and associates (net), Exceptional items and Tax		**1,733.19**	**1,160.93**
Share of Profit / (loss) of joint ventures and associates (net of tax)		5.55	0.35
Profit before tax		**1,738.74**	**1,161.28**
Tax expense			
- Current tax		428.05	307.24
- Adjustment of tax relating to earlier periods		(1.29)	(1.60)
- Deferred tax		24.05	(19.59)
Total tax expense	19	**450.81**	**286.05**
Profit for the year		**1,287.93**	**875.23**
Other comprehensive income/(loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurement loss on defined benefit plans		(1.64)	(0.42)
Income tax effect		0.38	0.11
Remeasurement gain/ (loss) on Investment in Equity instruments		(15.86)	71.69
Income tax effect		11.63	(16.70)
		(5.49)	**54.68**
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		(5.67)	(3.21)
Income tax effect		0.33	0.21
Exchange difference on translation of foreign operations		(55.44)	(232.01)
Income tax effect		1.27	8.54
		(59.51)	**(226.47)**
Total other comprehensive income/(loss) for the year, net of tax		**(65.00)**	**(171.79)**
Total comprehensive income for the year		**1,222.93**	**703.44**
Net profit attributable to			
a) Owners of the company		1,209.44	835.93
b) Non-controlling interest		78.49	39.30
		1,287.93	**875.23**
Other comprehensive income attributable to			
a) Owners of the company		(55.92)	(117.12)
b) Non-controlling Interest		(9.08)	(54.67)
		(65.00)	**(171.79)**
Total comprehensive income attributable to			
a) Owners of the company		1,153.52	718.81
b) Non-controlling Interest		69.41	(15.37)
		1,222.93	**703.44**
Earnings per equity share (Face value ₹ 2 per share) (in rupees)			
Basic and Diluted earnings per share	27	133.65	92.38
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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

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Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 20, 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from operating activities		
Profit before share of Profit/(Loss) of joint ventures and associates(net), Exceptional items and Tax	**1,733.19**	**1,160.93**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	181.50	143.38
Net (gain) /loss on disposal of property, plant and equipment	1.05	(1.59)
Discard of property, plant and equipment (net)	(0.77)	0.17
Net (gain)/loss on financial assets measured at fair value through profit or loss	(1.23)	(1.89)
Loss relating to Company's subsidiaries operating in hyperinflationary economy	65.01	111.64
Profit on sale of financial assets carried at fair value through profit or loss	(7.95)	(5.16)
Dividend and interest income	(25.63)	(29.39)
Provision of inventory	0.58	0.60
Provision for customer contract Obligation	-	5.43
Impairment (gain)/loss on financial asset	(10.01)	27.78
Provision written back	(1.25)	(0.01)
Finance costs	116.50	109.37
Bad debts written off	5.72	0.60
Financial liabilities written back	(8.00)	-
Interest on Loan given written back	-	(2.55)
Advances/Others written back	-	(1.84)
Sundry balance written off	1.12	-
Effect of exchange rate change	6.41	7.67
Operating profit before working capital changes	**2,056.24**	**1525.14**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(317.13)	(51.10)
(Increase)/Decrease in inventories	(188.09)	262.25
Increase/(Decrease) in trade payables	299.32	56.25
(Increase) /Decrease in other assets	(147.19)	(76.49)
Increase /(Decrease) in other liabilities	1167.47	(10.49)
Cash generated from operations	**2,870.62**	**1,705.56**
Less : Income taxes paid	403.06	299.55
Net cash flows from operating activities	**2467.56**	**1406.01**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(1005.95)	(559.75)
Proceeds from sale of property, plant and equipment	4.84	11.30
Loans (given) to/ repaid by others-current/non-current	(0.65)	(7.23)
Aquisition of Subsidiaries	(207.89)	-
Proceeds from sale / (Purchase) of non-current investments	(8.88)	(0.50)
Proceeds from sale / (Purchase) of current investments	(275.13)	(186.53)
(Investment)/Redemption in fixed deposits	(106.77)	6.67
Dividend income received	0.02	-
Interest income received	7.20	8.70
Net cash flows used in investing activities	**(1593.21)**	**(727.34)**
Cash flows from financing activities		
Proceeds from non-current borrowings	116.34	339.62
Repayment of non-current borrowings	(357.31)	(304.23)
Proceeds from/ (Repayment) of current borrowings (net)	1.73	(190.99)
Lease Liabilities	(18.18)	(7.39)
Interest paid	(118.21)	(130.70)
Transaction with non controlling interest	(23.81)	(4.22)
Dividend paid	(76.92)	(72.37)
Net cash flows used in financing activities	**(476.36)**	**(370.28)**
Exchange difference arising on conversion debited to foreign currency translation reserve	**(55.44)**	**(232.01)**
Net loss on account of Company's subsidiaries operating in hyperinflationary economy	**(26.46)**	**(62.73)**
Net increase in cash and cash equivalents	**316.09**	**13.65**
Add:-Cash and cash equivalents at the beginning of the year	258.98	245.04
Add:-Cash and cash equivalents of subsidiary acquired	15.36	0.29
Cash and cash equivalents at end of the year	**590.43**	**258.98**

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, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Change in liabilities arising from financing activities

	March 31, 2024	Cash flows	Other Adjustment	Foreign exchange impact	March 31, 2025
Current borrowings (excluding current maturities long term borrowing)	198.88	1.73	18.15	-	218.76
Non-current borrowings (including current maturities long term borrowing)	906.35	(240.97)	45.78	9.66	720.82
Lease Liabilities	32.87	(18.18)	20.67	-	35.36
Total liabilities from financing activities	**1,138.10**	**(257.42)**	**84.60**	**9.66**	**974.94**

	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**

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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

For and on behalf of the Board of Directors of
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Managing Director & CEO
DIN: 00164388

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(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 20, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

	No of Shares	Amount
At April 01, 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
At March 31, 2025 (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)	Remeasurement gain/(loss) on defined benefit plans (net of tax) (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	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**	**1.91**	**2,799.90**	**8.99**	**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												
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	(0.31)	(0.31)	-	-	-	(0.31)	-	(0.31)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	-	(3.00)	-	-	(3.00)	-	(3.00)
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	-	-	(168.80)	(168.80)	(54.67)	(223.47)
Remeasurement gain/(loss) on Investment in Equity Instrument	-	-	-	-	-	-	-	54.99		54.99		54.99
Others	-	-	-	-	-	-	-	-	(0.07)	(0.07)	-	(0.07)
Dividend paid	-	(72.39)	-	-	-	(72.39)	-	-	-	(72.39)	(8.63)	(81.02)
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**	**1.60**	**3,612.04**	**5.99**	**79.86**	**(410.39)**	**3,287.50**	**121.65**	**3,409.15**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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)	Remeasurement gain/(loss) on defined benefit plans (net of tax) (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Equity Instrument (Note 12 A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest	Total
Balance as at April 01, 2024	**149.13**	**2,392.53**	**16.54**	**1,052.24**	**1.60**	**3,612.04**	**5.99**	**79.86**	**(410.39)**	**3,287.50**	**121.65**	**3,409.15**
Total profit for the year	-	1,209.44	-	-	-	1,209.44	-	-	-	1,209.44	78.49	1,287.93
Transfer from retained earnings	-	-	-	109.09	-	109.09	-	-	-	109.09	-	109.09
Transfer to General reserve	-	(109.09)	-	-	-	(109.09)	-	-	-	(109.09)	-	(109.09)
Other comprehensive income												
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	-	(5.34)	-	-	(5.34)	-	(5.34)
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	(1.26)	(1.26)		-	-	(1.26)	-	(1.26)
Remeasurement gain/(loss) on Investment in Equity Instrument	-	-	-	-	-	-	-	(4.23)	-	(4.23)		(4.23)
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	-	-	(45.09)	(45.09)	(9.08)	(54.17)
Dividend paid	-	(76.92)	-	-	-	(76.92)	-	-	-	(76.92)	(19.71)	(96.63)
Movement in NCI due to change in ownership	-	(6.28)	-	-	-	(6.28)	-	-	-	(6.28)	6.28	-
Capital reserve on acquisition	-	-	0.36	-	-	0.36	-	-	-	0.36	-	0.36
Impact of Business Combination	-	(28.49)		-	-	(28.49)	-	-	-	(28.49)	(27.35)	(55.84)
Net gain on account of Company's subsidiaries operating in hyperinflationary economy	-	38.55	-	-	-	38.55	-	-	-	38.55	-	38.55
Balance as at March 31, 2025	**149.13**	**3,419.74**	**16.90**	**1,161.33**	**0.34**	**4,747.44**	**0.65**	**75.63**	**(455.48)**	**4,368.24**	**150.28**	**4,518.52**

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 20, 2025

For **S R B C & CO LLP**
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Khushboo Pasari
Company Secretary
Membership No.- F7347

Place: Nagpur
Date : May 20, 2025

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (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 (CIN No - L74999MH1995PLC085878). 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). 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. The consolidated financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

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, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 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.

*As per the principles laid down in Ind AS 21 – 'The effects of changes in foreign exchange rates', The Group has changed functional currency for Solar Nitro Ghana Limited and Solar Nitro Zimbabwe Private Limited ("step down subsidiaries") from their respective local currencies – Ghanaian Cedi (GHC) and Zimbabwean Gold (ZIG) to US Dollar ($) w.e.f. October 1, 2024.

The functional currency for the above mentioned step down subsdiaires was changed due to change in following circumstances:

1. Primary currency for receiving and retaining funds through financing and operating activities is US Dollar
2. Changes in economic substances of underlying transactions in which the entities operate their business activities
3. The management also intend to continue using US Dollar as primary currency for transactions

Pursuant to the change the aforesaid functional currency, the group has ceased applying Ind AS 29- 'Financial Reporting in Hyperinflationary Economies' to the said step-down subsidiaries and the amounts as at September 30, 2024 have been considered as carrying amounts prospectively.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

- 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, 2025	March 31, 2024
A	**Subsidiaries**			
1	**Indian subsidiaries**			
A	Solar Defence and Aerospace Limited (Note v)	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%
G	Solar Aerospace Ltd (Note i & Note iv)	India	100.00%	-
2	**Indirect Subsidiaries**			
	Rajasthan Explosives and Chemicals Limited (Note iii)	India	-	-
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	96.42%	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	75.00%	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	Kazakhstan	88.33%	59.39%
V	Solar Nitro (SL) Limited (Note i)	Sierra Leone	100.00%	100.00%
W	Power Blast LLP	Kazakhstan	88.33%	100.00%
X	Powerblast BS (Pty) Ltd (Note vi)	South Africa	64.93%	-
Y	Procapture (Pty) Ltd (Note vi)	South Africa	60.00%	-
Z	Maxigear (Pty) Ltd (Note vi)	South Africa	60.00%	-
AA	Frag Shared Services (Pty) Ltd (Note vi)	South Africa	60.00%	-
AB	Problast BBBEE Investment Co (Pty) Ltd (Note vi)	South Africa	43.00%	-
B	**Associates**			
a	Zmotion Autonomous Private Limited	India	45.99%	45.99%
b	Solar United Company Limited (Note-i)	Saudi Arabia	49.00%	49.00%
c	Ortiz Investment (Pty) Limited	South Africa	49.00%	49.00%
C	**Entities with Joint control or significant influence over the entity**			
a	Joint operation with P.T. Pindad	Indonesia	49.00%	49.00%
b	Joint operation with P V Explosives (Note vii)	Thailand	50.00%	-
c	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: Emul Tek Private Limited obtained control of Rajasthan Explosives and Chemicals Limited with effect from December 16, 2023. Rajasthan Explosives and Chemicals Limited subsequently got merged with Emul Tek Private Limited as per NCLT order with effect from October 17, 2024.
- Note iv: The entity was incorporated on June 10, 2024.
- Note v: The name of company has been changed with effect from February 17, 2025, formerly known as Economic Explosives Limited.
- Note vi: The entity was acquired w.e.f. July 1, 2024.
- Note vii: Joint Operation effective from October 1, 2024.

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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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.

Any 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

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recognized in the statement of profit and loss when the asset is derecognised.

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.

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 and civil structures	3 to 60	60
Roads (RCC and WBM)	3 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

Assets	Group's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	3-7
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 (which are part of continuous process) 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.

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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 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

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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 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.

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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 and low value leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- ·Office Building 2 to 10 years
- Leasehold Land 30 to 99 years
- Warehouse 1 to 5 years
- Vehicle 2 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Group lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value 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

Initial Recognition & Measurement

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

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characteristics of the asset. The Group classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

B. Equity instruments:

B.1 Fair value through OCI:

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

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.

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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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3. **Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

4. **Impairment of financial assets**

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Group measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted

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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 expense/ income 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 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 0-180 days from shipment or delivery as the case may be.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

- **Volume rebates and discounts**

  The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund 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 estimate of 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 late delivery charges for not delivering goods as per agreed schedule 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

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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.

The Group also receives advance payments from customers for the supply of goods with a lead time of more than one year after signing the contract. The Group has determined that these long-term advance from customers does not contain significant financing component as these advances are only to ensure that the contracting parties performs its obligations as specified under the contract.

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 180 days from the date of sale.

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.

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 its obligation 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

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investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

m. Inventories

(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.

(iv) **Scrap:** It is valued at net realisable value.

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.

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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.

The cost of providing benefits under the gratuity plan is determined using the projected unit credit method.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The company recognises these items of re-measurements immediately in other comprehensive income and all the other expenses related to defined benefit plans in employee benefit expenses in profit and loss account.

(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.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

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 date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Acceptances

The Group has established supplier finance arrangements (Refer Note 15A). The Group evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Group classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Group derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Group (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

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Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Group finally settles the liability.

In cases, where the Group has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Group has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Group presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Group to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow. Hence the Group has shown Acceptances as a separate line item under Financial Liabilities in the Financials.

v. 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.

w. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

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x. 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.

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 Group's 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 analysis disclosures Notes 33

Useful Lives of Property, Plant & Equipment

The Group uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and 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.

Notes to Consolidated Financial Statements

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Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Group estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of 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 and other incentives

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).

z. Investments in associates

Investments in 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.

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. The MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2024, applicable from April 1, 2024, as below:

(i) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment has no impact on the Group's financial statements.

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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statements

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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, 2024							
Opening gross carrying amount as at April 01, 2023[1]	200.49	855.39	26.85	874.68	94.44	33.64	2,085.49
Assets acquired of Subsidiary	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**	**2,450.72**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2023 [1]	-	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**	**1919.14**
Year ended March 31, 2025							
Opening gross carrying amount as at April 01, 2024	371.09	936.50	31.44	970.69	96.61	44.39	2,450.72
Assets acquired of Subsidiary (refer note 40)	-	0.59	-	8.60	10.00	1.65	20.84
Exchange differences	0.08	21.13	(1.17)	22.33	(17.85)	(0.65)	23.87
Additions	65.24	167.96	5.33	380.47	34.47	20.46	673.93
Transfer	-	-	-	(9.03)	9.03	-	-
Disposals	-	(0.22)	(0.04)	(4.49)	(1.48)	(0.01)	(6.24)
Closing gross carrying amount as at March 31, 2025	**436.41**	**1125.96**	**35.56**	**1368.57**	**130.78**	**65.84**	**3163.12**
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2024	-	137.47	11.91	318.23	41.49	22.48	531.58
Accumulated depreciation of Subsidiary acquired during the year	-	0.30	-	1.94	2.72	0.70	5.66
Depreciation charge for the year	-	45.57	4.04	80.64	10.96	8.13	149.34
Transfer	-	-	-	(2.60)	2.59	0.01	-
Disposals*	-	-	0.00	(0.19)	(0.89)	(0.01)	(1.09)
Exchange differences	-	8.13	(1.92)	7.17	(4.95)	(0.61)	7.82
Closing accumulated depreciation as at March 31, 2025	**-**	**191.47**	**14.03**	**405.19**	**51.92**	**30.70**	**693.31**
Net carrying amount as at March 31, 2025	**436.41**	**934.49**	**21.53**	**963.38**	**78.86**	**35.14**	**2,469.81**

* Amount is less than ₹ 0.01

[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 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 13 and 14).

3. The amount of borrowing costs capitalised during the year ended March 31, 2025 was ₹ 20.01 (March 31, 2024: ₹ 6.31). The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.85 % - 8.14%, which is the effective interest rate of the borrowing made specifically to acquire/ construct the qualifying assets (refer note 25).

4. # The Group has impaired certain assets as the carrying value is more than expected economical benefit to be derived from those assets. During the year ended on March 31, 2025, the loss on such assets is ₹ Nil (net) (March 31, 2024: ₹ 1.13)

5. Land includes:

   a) ₹ 10.36 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.

   b) ₹ 1.74 located in Shitalpur, Tehsil - Kaliyasol, District - Dhanbad, acquired in current year is held in the name of previous owners. Applications has been made to transfer the title in name of the Company.

   c) ₹ 2.22 located in Sawanga, Tehsil - Nagpur, District Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 04.03.2025.

   d) ₹ 14.99 located in Sawanga, Tehsil - Nagpur, District Nagpur, acquired in current year is held in the name of previous owners. Applications has been made to transfer the title in name of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A: Capital Work in Progress

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year Ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2023	8.25	86.12	0.62	179.91	2.52	1.98	279.40
Assets acquired of Subsidiary	-	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**
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2024	2.77	165.18	1.31	309.66	2.12	6.32	487.36
Additions	66.89	206.18	3.31	542.78	41.54	20.77	881.47
Addition in Exchange differences*	(0.27)	(1.55)	(0.00)	(3.18)	(0.59)	(0.48)	(6.07)
Less:- Capitalisation	(65.24)	(167.75)	(3.72)	(375.74)	(27.65)	(18.70)	(658.80)
Asset Written off/Provision#	-	-	-	(0.58)	-	-	(0.58)
Closing gross carrying amount as at March 31, 2025	**4.15**	**202.06**	**0.90**	**472.94**	**15.42**	**7.91**	**703.38**

The Group has written off/ provided for certain assets based on management assesment.

* Amount is less than ₹ 0.01

Note 3. A.1 : Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2025

(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	513.50	62.43	38.70	88.75	703.38
- Projects temporarily suspended	-	-	-	-	-
Total	**513.50**	**62.43**	**38.70**	**88.75**	**703.38**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	-	-	-	-	-

B. 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	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

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	-	0.18	-	-	0.18

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	29.81	10.66
Addition during the year on account of subsidiary acquired	79.29	19.00
Foreign currency exchange gain	1.46	0.15
Balance at the end of the year	**110.56**	**29.81**

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") ₹ 5.60, Solar Mining Services Pty Ltd -Australia ('SMS-Aus') ₹ 4.19, Solar Venture Company Limited ('SVC') ₹ 0.56 and Solar Mining Services Pty Ltd South Africa- Pro Blast Group (""SMS SA"") ₹ 80.50 as at March 31, 2025, for impairment assessment has been calculated based on value-in-use calculation using cash flow projections from financial budgets approved by senior management.

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 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, SVC and SMS- SA 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, SMS SA 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, SMS-SA and SVC CGUs to exceed its recoverable amount.

During the year, Solar Mining Services Pty Limited, South Africa (SMS SA), a stepdown subsidiary of the Company, has acquired controlling stake in Problast Group, South Africa effective from July 1, 2024 ("acquisition date"). Accordingly, the group has consolidated the financial statement of Problast group with effect from July 1, 2024 and recognised a provisional goodwill of ₹ 79.29 on the acquisition as per the requirements of Ind AS 103 (refer note 40).

During the previous 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 was 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.

The Group has received approval on scheme of merger from National Company Law Tribunal ('NCLT') on October 17, 2024.

The remaining amount of goodwill of ₹ 0.71 (March 31, 2024 ₹ 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset

	Software & License	Product Development Cost	Know How/ TOT [2]	Customer Contracts	Total
Year ended March 31, 2024					
Gross carrying amount					
Opening gross carrying amount as at April 01, 2023[1]	10.80	30.42	43.82	-	85.04
Addition	6.02	-	-	-	6.02
Deductions/Adjustments	-	-	-	-	-
Gross carrying amount as at March 31, 2024	**16.82**	**30.42**	**43.82**	**-**	**91.06**
Accumulated amortisation					
Opening accumulated depreciation as at April 01, 2023[1]	4.89	12.97	19.06	-	36.92
Amortisation for the year	3.06	4.82	4.66	-	12.54
Deductions/Adjustments	-	-	-	-	-
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**
Year ended March 31, 2025					
Gross carrying amount					
Opening gross carrying amount as at April 01, 2024	16.82	30.42	43.82	-	91.06
Addition	6.72	-	1.26	-	7.98
Assets acquired of Subsidiary (refer note 40)	0.20	-	-	36.18	36.38
Deductions/Adjustments	-	-	-	-	-
Gross carrying amount as at March 31, 2025	**23.74**	**30.42**	**45.08**	**36.18**	**135.42**
Accumulated amortisation					
Opening accumulated amortisation as at April 01, 2024	7.95	17.79	23.72	-	49.46
Amortisation for the year	3.87	4.07	4.71	3.82	16.47
Deductions/Adjustments	-	-	-	-	-
Accumulated amortization as at March 31, 2025	**11.82**	**21.86**	**28.43**	**3.82**	**65.93**
Net carrying amount as at March 31, 2025	**11.92**	**8.56**	**16.65**	**32.36**	**69.49**

Note 3C: Intangible Assets under development

	Software & Licence	Transfer of Technology (ToT)	Total
Gross carrying amount			
Opening carrying amount as at April 1, 2023	2.62	0.01	2.63
Additions	5.51	0.31	5.82
Less:- Capitalisation	(6.02)	-	(6.02)
Closing Carrying amount as at March 31, 2024	**2.11**	**0.32**	**2.43**
Year Ended March 31, 2024			
Gross carrying amount			
Opening Carrying Amount as at April 1, 2024	2.11	0.32	2.43
Additions	5.31	3.84	9.15
Less:- Capitalisation	(6.72)	(1.26)	(7.98)
Closing Carrying amount as at March 31, 2025	**0.70**	**2.90**	**3.60**

[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, 2025 (All amounts in ₹ Crores, unless otherwise stated)

3CA. Intangible Asset Under Development(IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2025

(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	3.26	0.34	-	-	3.60
- Projects temporarily suspended	-	-	-	-	-
Total	**3.26**	**0.34**	**-**	**-**	**3.60**

(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, 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
	-	-	-	-	-

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	office Equipement	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**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 3D Leases (Contd..)

	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	office Equipement	Total
Year ended March 31, 2025							
As at April 01, 2024	**8.30**	**18.43**	**5.68**	**0.03**	**4.74**	**-**	**37.17**
Additions	2.93	2.18	0.79	0.07	11.45	0.31	17.73
Foreign exchange adjustments *	0.17	0.91	1.03	0.05	1.04	0.00	3.21
Termination	(0.27)	-	-	-	-	-	(0.27)
Depreciation	(3.38)	(2.34)	(2.89)	(0.05)	(6.98)	(0.05)	(15.69)
As at March 31, 2025	**7.75**	**19.18**	**4.61**	**0.10**	**10.25**	**0.26**	**42.15**

* Amount is less than ₹ 0.01

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	March 31, 2025	March 31, 2024
Opening balance	**32.87**	**25.46**
Additions	17.73	11.63
Accretion of interest	4.02	2.29
Termination	(0.27)	-
Foreign exchange adjustments	(1.67)	0.14
Payments	(17.32)	(6.65)
Closing balance	**35.36**	**32.87**
Current	11.58	9.11
Non-current	23.78	23.76

The maturity analysis of lease liabilities are disclosed in Note 33.

The incremental borrowing rate for lease liabilities is 5.61 % to 20.16 %, with maturity between 2021-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	15.69	5.80
Interest expense on lease liabilities	4.02	2.29
Expense relating to short-term and low values leases (included in other expenses)	11.98	10.39
Gain on termination of Lease *	0.00	-
Total amount recognised in profit or loss	**31.69**	**18.48**

The Group had total cash outflows for leases of ₹ 29.31 in March 31, 2025 (₹ 18.87 in March 31, 2024).

* Amount is less than ₹ 0.01

Note 3E: Non Current Assets classified as held for sale

	March 31, 2025	March 31, 2024
Property, Plant and Equipment	3.98	-
	3.98	**-**

Solar Mining Services PTY Ltd-South Africa has bought controlling stake in Maxigear Pty Ltd on July 1,2024. At the time of acquisition of Maxigear Pty Ltd, it had two drill rigs fair valued at ₹ 3.98 crores which are classified as held for sale.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Unquoted					
Investment carried at Fair Value through Profit and Loss					
Astra Resources Pty Limited **	ZAR 1	173	173	-	6.38
Investment in Equity instruments of Others (Unquoted)					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.97	0.50
Augsense Lab Pvt. Ltd	₹ 100	4,500	-	3.00	-
Bravo Business Agency SARL	USD 100	20	20	0.01	0.01
Investment in Compulsary convertible debenture					
Augsense Lab Pvt. Ltd	₹ 1,20,00,000	1	-	1.20	-
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 15,502	-	500	-	0.09
Quoted					
Investment in Mutual Fund (Quoted)					
ICICI Prudential Short Term Fund Direct Plan growth option		5,340.94	8,610.17	0.02	0.05
				5.20	**7.03**
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	105.72	121.58
Equity Shares of Skyroot Aerospace Private Limited#	₹ 1	5	5	0.03	0.03
				105.75	**121.61**
				110.95	**128.64**
Invesmtents accounted using equity method					
Investment in Equity Instruments of Associate :					
Solar United Co. Limited	Riyal 10	9,80,000	9,80,000	1.43	0.00
Ortiz Investments Pty Ltd*	ZAR 1	490	490	0.00	0.00
Zmotion Autonomous System Private Limited	₹ 1	8,75,880	8,75,880	34.92	27.83
				36.35	**27.83**
				147.30	**156.47**
Aggregate amount of Investments				**147.30**	**156.47**
Aggregate amount of impairment in value of investments				-	-

* Amount is less than ₹ 0.01

** Investment in Astra Resources Pty Limited has been written off ₹ 6.38 Cr.

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
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)					

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments (Contd..)

	Face value	Number of Shares/Units		Amount	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Quoted					
Investment carried at fair value through profit & loss					
Investment in Mutual Funds (fully paid-up)					
Kotak Liquid Direct Growth	₹ 10	4,79,390	-	251.17	-
Kotak Overnight Direct Growth Fund	₹ 10	7,73,023	-	105.30	-
SBI Overnight Fund (Direct Growth)	₹ 10	4,15,334.88	5,47,884.83	172.50	213.44
Aggregate amount of unquoted investments and market value thereof (refer note 32)				**528.97**	**213.44**

[#] 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 loss amounting to ₹ 15.86 has been accounted in other comprehensive income for the year ended March 31, 2025 (fair value gain amounting to ₹ 71.69 Cr for the year ended March 31, 2024).

Note 5 : Loans

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 30C)	-	31.22	-	32.58
- Others	2.09	1.33	3.22	-
	2.09	**32.55**	**3.22**	**32.58**

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, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 32)	4.90	-	17.36	-
	4.90	**-**	**17.36**	**-**
Derivative Instruments at fair value through OCI				
Interest rate swaps (refer note 32)	3.03	-	8.63	-
	3.03	**-**	**8.63**	**-**
Others				
State Government Incentive Receivables	142.98	129.79	114.61	99.77
Other receivables	8.72	-	9.33	-
Other deposits	0.59	0.03	1.74	2.46
Security Deposits and Earnest Money Deposits	3.32	14.37	2.28	11.35
Interest accrued from related party (refer note 30C)	2.78	-	0.19	-
Interest accrued but not due on fixed deposit	2.16	-	0.15	-
	160.55	**144.19**	**128.30**	**113.58**
	168.48	**144.19**	**154.29**	**113.58**

Note:

1. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables	1,290.46	917.15
Receivables from related parties (refer note 30C)	-	0.58
Less: Impairment allowance	(51.88)	(72.88)
	1,238.58	**844.85**

Break-up of security details

	March 31, 2025	March 31, 2024
Secured, considered good	1.71	56.51
Unsecured, considered good	1,265.93	855.91
Trade Receivables which have significant increase in credit risk	0.81	0.54
Trade Receivables - credit impaired	22.01	4.77
	1,290.46	**917.73**
Impairment allowance		
Unsecured, considered good	(29.06)	(67.57)
Trade Receivables which have significant increase in credit risk	(0.81)	(0.54)
Trade Receivables - credit impaired	(22.01)	(4.77)
	(51.88)	**(72.88)**
	1,238.58	**844.85**

Trade receivable Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment - March 31, 2025					
		<6 months	6 months-1 Year	1-2 Years	2-3 Years	>3 years	Total
(i) Undisputed Trade receivables - considered good	755.40	436.79	28.02	28.52	12.91	6.00	1,267.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.81	0.81
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	15.25	0.90	5.86	22.01
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	**755.40**	**436.79**	**28.02**	**43.77**	**13.81**	**12.67**	**1,290.46**

	Not Due	Outstanding for following periods from due date of payment - March 31, 2024					
		<6 months	6 months-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
(ii) 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**

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, 2025 (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, 2025	March 31, 2024
As at April 01	72.88	72.92
Provision/(reversal) for expected credit losses & bad debt written off (net)	(12.51)	26.85
Addition due to acqusition (refer note 40)	3.28	0.60
Currency transalation difference	(11.77)	(27.49)
As at March 31	**51.88**	**72.88**

Note 8. Cash and Bank balances

	March 31, 2025	March 31, 2024
Cash and cash equivalents		
Balances with banks		
in current accounts	331.27	250.26
Deposit with Bank	256.51	0.59
Funds in transit #	2.08	7.62
Cash in hand	0.57	0.51
	590.43	**258.98**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	2.60	2.56
Balances with Bank held as margin money against bank guarantee & other commitments	132.38	25.65
Earmarked balances with banks*	0.07	0.07
	135.05	**28.28**
Total cash and bank balances	**725.48**	**287.26**

*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 and includes cheque in transit

Note 9: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2025	March 31, 2024
Allowance for doubtful debts - trade receivables	0.13	0.24
MAT credit	3.02	3.02
Property, plant and equipments and CWIP	0.15	(13.84)
Tax Losses	93.46	89.63
Right to use of assets and Lease liabilities	0.41	-
Employee benefit obligations	2.59	1.63
Other *	56.02	79.48
	155.78	**160.16**

* Includes deferred tax on stock reserve

Reconciliation of deferred tax assets:

	March 31, 2025	March 31, 2024
Opening balance	**160.16**	**127.51**
Tax income/(expense) during the period recognised in statement of profit or loss	9.60	41.70
Tax (income)/expense during the period recognised in statement of other comprehensive income	1.46	8.87
Effect of foreign exchange gain/(loss)	(7.67)	(6.26)
On account of subsidiary acquired (refer note 40)	-	11.48
On account of Hyperinflation Change in Previous year numbers of DTA	(7.77)	(23.14)
Closing balance	**155.78**	**160.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 10: Inventories

	March 31, 2025	March 31, 2024
(At lower of cost and net realisable value)		
Raw materials and packing materials (Includes stock in transit of ₹ 140.14 (March 31, 2024 : ₹ 62.70)	763.84	607.14
Work-in-progress (Includes in transit of ₹ 1.74 (March 31, 2024 : ₹ Nil)	72.88	76.60
Finished goods and scrap goods (Includes stock in transit of ₹ 8.90 (March 31, 2024 : ₹ 13.89)	20.77	15.99
Stock-in-trade (Includes stock in transit of ₹ 35.08 (March 31, 2024 : ₹ 25.81)	142.53	107.51
Stores and spares (Includes stock in transit of ₹ 0.58 (March 31, 2024 : ₹ 0.48))	39.96	32.30
Project inventory-in-progress	-	7.28
	1039.98	**846.82**

Note:

Value of inventories above is stated after provision of ₹ 7.05 (previous year ₹ 6.18) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11: Other assets

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Capital advances	-	231.93	-	98.27
Prepayments	95.27	2.95	32.67	0.16
Advances to suppliers for goods & services	172.09	-	172.71	-
Advances to staff	2.26	-	1.78	-
Balances with revenue authorities	146.00	1.50	90.62	1.17
Other receivables	3.33	-	0.72	-
	418.95	**236.38**	**298.50**	**99.60**

Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	**13,50,00,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	**9,04,90,055**	**18.10**	**18.10**

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2023	9,04,90,055	18.10
As at March 31, 2024	9,04,90,055	18.10
As at March 31, 2025	**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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	Number of Shares		Amount	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
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	4.33%	5.58%	39,18,387	50,47,791
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, 2025

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%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt Leeladevi Satyanarayan Nuwal*	1,000	-	1,000	0.00%	-
	Total	**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

As at March 31, 2024

Equity shares of ₹ 2 each fully paid

S.No.		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%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt Leeladevi Satyanarayan Nuwal*	1,000	-	1,000	0.00%	-
	Total	**6,61,91,271**	**-**	**6,61,91,271**	**73.15%**	

* Percentage is less than 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity

Securities premium [1]

As at April 01, 2023	**149.13**
Movement for the year 2023-24	-
As at March 31, 2024	**149.13**
Movement for the year 2024-25	-
As at March 31, 2025	**149.13**

Retained earnings [2]

As at April 01, 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**
Add : Profit for the year	1,209.44
Less : Transfer to general Reserve	(109.09)
Less : Movement in NCI due to change in ownership	(6.28)
Add : Impact of restatement of subsidiaries in Hyper-inflationary economy (refer note 38)	38.55
Less : Investment revaluation for stepdown subsidiary acquired	(28.49)
Less : Final Dividend	(76.92)
As at March 31, 2025	**3,419.74**

Capital reserve [3]

As at April 01, 2023	**16.54**
Movement for the year 2023-24	-
As at March 31, 2024	**16.54**
Movement for the year 2024-25	0.36
As at March 31, 2025	**16.90**

General reserve [4]

As at April 01, 2023	**950.82**
Add : Transfer from retained earnings	101.42
As at March 31, 2024	**1,052.24**
Add : Transfer from retained earnings	109.09
As at March 31, 2025	**1,161.33**

Cash flow hedge reserve [5]

As at April 01, 2023	**8.99**
Movement for the year 2023-24	(3.00)
As at March 31, 2024	**5.99**
Movement for the year 2024-25	(5.34)
As at March 31, 2025	**0.65**

Investment in Equity Instrument recognised as fair value through Other comprehensive income [6]

As at March 31, 2023	**24.87**
Movement for the year 2023-24	54.99
As at March 31, 2024	**79.86**
Movement for the year 2024-25	(4.23)
As at March 31, 2025	**75.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

Foreign currency translation reserve [7]

As at April 01, 2023	**(241.52)**
Movement for the year 2023-24	(168.87)
As at March 31, 2024	**(410.39)**
Movement for the year 2024-25	(45.09)
As at March 31, 2025	**(455.48)**

Remeasurement (loss)/gain on defined benefit plans [8]

As at April 01, 2023	**1.91**
Movement for the year 2023-24	(0.31)
As at March 31, 2024	**1.60**
Movement for the year 2024-25	(1.26)
As at March 31, 2025	**0.34**

Total other equity

As at April 01, 2023	**2,592.24**
Movement for the year 2023-24	695.26
As at March 31, 2024	**3,287.50**
Movement for the year 2024-25	1,080.74
As at March 31, 2025	**4,368.24**

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 Other comprehensive income

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

[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.

12B. Distribution made and proposed

	March 31, 2025	March 31, 2024
Cash dividends on equity shares declared:		
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 *		
Final dividend for the year ended on March 31, 2025: ₹ 10.00 per share (March 31, 2024: ₹ 8.50 per share)	90.49	76.92
	90.49	**76.92**

* 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, 2025	March 31, 2024
Secured Borrowings carried at amortised cost		
Term loans from banks		
Term loan	654.04	802.21
Sales tax deferral loan	-	0.01
Unsecured Borrowings carried at amortised cost		
From Others		
Deferred Purchase Consideration	14.83	19.10
Non convertible redeemable Preference Share	13.30	-
Foreign currency loan	-	9.92
Non-Convertible Debentures (NCD)	38.43	70.16
Others	11.33	16.23
	731.93	**917.63**
Less:		
Current maturities of long-term debt (refer note 14)	(321.95)	(318.21)
Current maturities of Deferred Purchase Consideration (refer note 14)	(4.99)	(4.59)
Interest accrued but not due on non-current borrowings (refer note 16)	(11.11)	(11.28)
	393.88	**583.55**

Refer note 14 for details of security.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 14: Current borrowings

	March 31, 2025	March 31, 2024
Secured at amortised cost		
From banks		
Working capital loan	218.77	198.88
Current maturities of long-term debt (refer note 13)	295.28	286.53
Interest accrued but not due	2.82	2.48
Sales tax deferral loan (current maturities)	-	0.01
Unsecured at amortised cost		
From banks and others		
Current maturities of long term debt (NCD) (refer note 13)	26.67	31.67
Current maturities of Deferred Purchase Consideration (refer note 13)	4.99	4.59
	548.53	**524.16**
Less:		
Interest accrued but not due on current borrowings (refer note 16)	(2.82)	(2.74)
	545.71	**521.42**

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 compounded monthly.

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipment, both present and future and second pari passu charge on the Group's current asset both present and future. 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 as per security document.

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, current ratio, total liabilities to total networth ratio and fixed asset coverage ratio. The Group has satisfied all debt covenants prescribed in the terms of bank loans and NCD.

The other loans other than NCD 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 date	Terms of repayment	March 31, 2025	March 31, 2024
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
Rupee Term Loan from Bank (Note iii)	September 27, 2026	Repayable in sixteen quarterly instalment starting after moratorium period of 12 months	75.00	125.00
Rupee Term Loan from Bank (Note ii)	August 31, 2025	Repayable in twenty quarterly instalment	4.71	14.13
Rupee Term Loan from Bank (Note iv)	October 1, 2028	Repayable in twenty quarterly instalment	75.00	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
Indian rupee term loan (Note vi)	May 31, 2026	Repayable in 48 equal monthly instalment after 1 year moratorium	7.29	13.54
Indian rupee term loan (Note vii)	September 6, 2026	Repayable in twelve equal quarterly instalment after 1 year moratorium	50.00	83.33
Indian rupee term loan (Note viii)	November 30, 2028	Repayable in sixteen equal quarterly installment after 1 year moratorium	93.75	50.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 14: Current borrowings (Contd..)

	Maturity date	Terms of repayment	March 31, 2025	March 31, 2024
Local currency loan (South African Rand) (Note ix)	March 13, 2025	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	-	6.68
Local currency loan (USD) (Note x)	November 21, 2026	3 Annual instalments (tranche wise) commencing from June 2024	86.22	126.35
Local currency loan (USD) (Note xi)	March 15 , 2026	10 six monthly instalments commencing from September 15, 2021	59.83	119.22
USD equivalent Local currency loan (AUD)(Note xii)	June 30, 2026	Quarterly repayment after 1 year of loan disbursement	13.59	35.72
Local currency loan (USD) (Note xiii)	September 05, 2028	20 quarterly instalments commencing from September 5, 2023	83.33	108.30
Local currency loan (USD) - ICICI Bank(Note xiv)	September 9, 2028	12 quarterly installments commencing from December 9 , 2025	98.75	-
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)	15.00	35.00
Non Convertible Debentures (Note xvi)	March 22, 2027	Repayable in twelve quarterly instalments.	23.33	35.00
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	-	0.01
Others (Note xvii)	Mutual consent	Mutual consent	-	9.92
Deferred purchase consideration (Note xx)	November ,2027	39 quarterly payments commencing from April 2018	14.83	19.10
Redeemable Preference Shares of ZAR 10 each (Note xix)	January 2029	On written instructions of shareholders or January 1, 2029, whichever is later	5.30	-
12% non convertible redeemable Preference Shares	on demand		8.01	-
Others (Note xviii)	Mutual consent	Mutual consent	8.23	16.23
			722.17	**913.36**
Interest accrued but not due			9.76	4.27
			731.93	**917.63**

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 repo + 150 bps

Note vii. The above loans from Bank carry interest linked to 3 month Tbill +161 bps

Note viii. The above loans from Bank carry interest linked to 3 month Tbill +127 bps

Note ix. The above local currency loan carry interest linked to 3 months JIBAR + 340 b.p.s. pa

Note x. The above local currency loan carry interest linked to 6 months SOFR + 250 b.p.s. pa

Note xi. The above local currency loan carry interest linked to overnight SOFR + 250 b.p.s. pa

Note xii. The above local currency loan carry interest of 6.85% p.a.

Note xiii. The above local currency loan carry interest linked to overnight SOFR + 262 b.p.s. pa

Note xiv. The above local currency loan carry interest linked to 3 months SOFR + 175 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.

Note xix. The above Redeemable Preference Shares carry interest of 80% of South africa PLRor 6% whichever is higher

Note xx. The above Deferred purchase consideration carry interest rate of 5.93% pa

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 15A : Acceptances

	March 31, 2025	March 31, 2024
Acceptances[1]	394.61	229.71
	394.61	**229.71**

Notes :-

1. 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 60 to 180 days

Note 15B : Trade payables

	March 31, 2025	March 31, 2024
Current		
Trade payables *	474.42	322.80
Trade payables to related parties (refer note 30C)	18.10	0.14
	492.52	**322.94**

Break up of trade payables

	March 31, 2025	March 31, 2024
Trade Payables other than related parties	474.42	322.80
Trade payables to related parties (refer note 30C)	18.10	0.14
	492.52	**322.94**

	Unbilled	Not due	Outstanding for following periods from due date of payment for March 31, 2025				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	-	311.23	179.45	1.39	0.32	0.13	492.52

	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	135.06	185.34	2.31	0.15	0.06	322.94

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 30D
3. For explanations on the Company's credit risk management processes, refer note 33

Note 16 : Other current financial liabilities

	March 31, 2025	March 31, 2024
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts (refer note 32)	5.31	0.49
	5.31	**0.49**
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 13)	11.11	11.28
Interest accrued on current borrowings (refer note 14)	2.82	2.74
	13.93	**14.02**
Others		
Capital creditors	39.46	18.98
Employees related payable (including labour related)	63.68	55.44
Deferred purchases consideration	35.32	8.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 16 : Other current financial liabilities (Contd..)

	March 31, 2025	March 31, 2024
Refund Liability towards trade discounts	5.99	5.09
Unclaimed and unpaid dividend	0.33	4.43
Other payable	0.74	0.92
	145.52	**92.86**
	164.76	**107.37**

Note 17: Other liabilities

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Statutory dues payables	64.18	-	47.78	-
Liabilities for employee benefit	2.14	-	0.07	-
Contract liabilities	361.24	968.85	228.70	-
Other current liabilities	0.28	-	0.15	-
	427.84	**968.85**	**276.70**	**-**

Note 18 : Provisions

	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity	6.10	4.98	3.06	3.24
Provision for leave encashment	17.76	0.34	12.42	0.20
	23.86	**5.32**	**15.48**	**3.44**

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2025 and March 31, 2024 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2025	March 31, 2024
Current income tax:		
Current income tax charge	428.05	307.24
Adjustment of tax relating to earlier periods	(1.29)	(1.60)
Deferred tax:		
Relating to origination and reversal of temporary differences	24.05	(19.59)
Tax expense reported in the statement of profit and loss	**450.81**	**286.05**

OCI section

Deferred tax related to items recognised in OCI during the year:

	March 31, 2025	March 31, 2024
Net gain/(loss) on cash flow hedges	(0.33)	(0.21)
Net (loss)/gain on remeasurements of defined benefit plans	(0.38)	(0.11)
Remeasurement gain/ (loss) on Investment in Equity instruments	(11.63)	16.70
Exchange difference on translation of foreign operations	(1.27)	(8.54)
Income tax charged to OCI	**(13.61)**	**7.84**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

	March 31, 2025	March 31, 2024
Accounting profit before tax	1,733.19	1,160.93
Computed expected tax expense @ standard tax rate in India	435.45	291.69
Effect of:		
Corporate social responsibility expenditure and donation	8.42	4.44
Income tax for earlier years	(1.29)	(1.60)
Tax loss on which deferred tax not recognised	2.61	6.74
Effect of permanent differences between book base and tax base	-	0.38
Relating to Change in tax rate of different jurisdictions	1.60	(15.19)
Others	4.02	(0.41)
Total income tax expense	**450.81**	**286.05**

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

	March 31, 2025	March 31, 2024
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	228.55	189.99
Financial assets at fair value through profit or loss	0.52	0.73
Financial assets at fair value through OCI	12.62	24.25
Leases	0.85	1.42
	242.54	**216.39**
Deferred tax Assets		
Derivative Instruments at fair value through profit or loss	(1.05)	(0.12)
Provision towards trade receivables	(3.78)	(1.84)
Provision for advances w/off	(0.87)	(1.08)
Provision for write down to net realizable value of inventory	(1.53)	(1.24)
Provision for discounting of Non current Asset	(3.89)	(4.42)
Provision on Custom Duty and Statutory Dues	(1.59)	(1.53)
Employee Benefits	(3.66)	(2.58)
Other	(7.18)	(5.80)
	(23.55)	**(18.61)**
Net deferred tax (assets)/liabilities	**218.99**	**197.78**

Reconciliation of deferred tax liability:

	March 31, 2025	March 31, 2024
Opening balance	**197.78**	**158.93**
Tax (income)/expense during the period recognised in statement of profit or loss	33.65	22.11
Effect of foreign exchange gain/(loss)	-	0.03
Tax (income)/expense during the period recognised in statement of other comprehensive income	(12.44)	16.71
Closing balance	**218.99**	**197.78**

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 20 : Revenue from operations

	March 31, 2025	March 31, 2024
Sale of products (Refer note 36)	7,360.06	5,909.02
Other operating revenue :		
Income under Package Scheme of Incentives (net of discounting)*	111.85	83.52
Scrap Sales	24.49	20.57
Sale of Stores, Spare and Consumables	8.35	24.71
Others#	35.51	31.70
	7,540.26	**6,069.52**

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 ₹ 123.56 Cr (previous year ₹ 101.17 Cr).

#Includes duty drawback and other ancillary income.

Note 21 : Other income

	March 31, 2025	March 31, 2024
Interest income		
On financial assets carried at amortised cost		
from related parties (refer note 30B)	2.42	0.86
from others	14.39	26.53
On deposits with bank	8.80	2.00
Income tax refund*	0.00	0.51
Dividend Income	0.02	-
Profit on sale of investments carried at fair value through profit or loss	7.95	5.16
Net gain on financial assets mandatorily measured at fair value through profit or loss	1.23	1.89
Net gain on disposal of property, plant and equipment	0.04	1.59
Excess provsion of impairment on financial assets written back	-	0.01
Bad debt recovered	-	0.04
Insurance claim received	0.77	1.28
Financial liabilities written back	8.00	-
Net gain on foreign currency transaction and translation	16.65	-
Miscellaneous income	10.56	4.60
	70.83	**44.47**

* Amount is less than ₹ 0.01

Note 22A : Cost of materials consumed

	March 31, 2025	March 31, 2024
Raw materials and packing materials at the beginning of the year	607.14	787.98
Add: Purchases during the year	3,532.06	2,529.13
Less: Raw materials and packing materials at the end of the year	(763.84)	(607.14)
	3,375.36	**2,709.97**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 22B : Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2025	March 31, 2024
Opening balance		
Work-in progress	76.60	57.12
Finished goods & Scrap goods	15.99	132.15
Stock in trade	107.51	89.40
Effect of foreign exchange	(16.39)	(15.08)
	183.71	**263.59**
Closing balance		
Work-in progress	72.88	76.60
Finished goods and Scrap goods	20.77	15.99
Stock in trade	142.53	107.51
Opening stock of Subsidiary acquired during the year (refer note 40)	(4.58)	(3.74)
Effect of foreign exchange	(22.38)	(16.39)
	209.22	**179.97**
(Increase)/ Decrease in Inventory		
Work-in progress	3.72	(19.48)
Finished goods & Scrap goods	(4.78)	116.16
Stock-in-trade	(35.02)	(18.11)
Opening stock of Subsidiary acquired during the year (refer note 40)	4.58	3.74
Effect of foreign exchange	5.99	1.31
	(25.51)	**83.62**

Note 23 : Employee benefit expense

	March 31, 2025	March 31, 2024
Salaries and wages (including bonus)	357.80	254.75
Remuneration to directors	53.05	33.01
Contribution to provident and other funds (Refer note 28)	21.94	16.40
Staff welfare expenses	17.03	13.11
Total - A	**449.82**	**317.27**
Labour charges (including bonus)	150.25	116.19
Total - B	**150.25**	**116.19**
Total expense (A+B)	**600.07**	**433.46**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spares	45.28	34.51
Repairs and maintenance :		
Plant and machinery	37.43	23.75
Buildings	8.56	9.44
Others	15.38	12.72
Water and electricity charges	81.90	60.09
Rates and taxes	18.15	10.46
Legal and professional fees	34.57	27.82
Travelling and conveyance	30.91	23.86
Sales commission expenses	46.81	54.52
Freight and forwarding charges	387.11	250.97
Transportation charges	47.52	43.90
Pump truck expenses	29.49	23.03
Security service charges	19.96	14.85
Sales promotion expenses	59.06	54.44
Testing charges	2.79	4.33
Donations	18.54	6.94
Insurance charges	21.31	20.75
Advertisement expenses	3.39	4.04
Provision of Inventory	0.58	0.60
Directors' sitting fees	0.79	0.69
Exchange differences (net)	-	167.86
Bad debts written-off	5.72	0.60
Advance/loan/ Investment written off	9.29	-
Impairment loss/(gain) on financial assets	(18.23)	27.78
Corporate social responsibility expenditure	16.53	12.38
Loss relating to Company's subsidiaries operating in hyperinflationary economy (refer note 38)	65.01	111.64
Payment to Auditors	5.15	3.84
Information Technology Expenses	14.61	9.82
Sundry balance written off	0.20	-
Customer contract obligation charges	-	8.24
Property, plant and equipment discarded	1.09	1.13
Miscellaneous expenses (mainly includes bank charges, insurance, factory, communication, office expenses etc.)	63.64	45.68
	1,072.54	**1,070.68**

Notes 25 : Finance costs

	March 31, 2025	March 31, 2024
Interest *		
To banks#	111.73	106.54
To Others	0.75	0.54
Interest on lease liabilities	4.02	2.29
	116.50	**109.37**

*Net of borrowing cost capitalised (refer note 3A)

Includes relating hedge cost

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 26 : Depreciation and amortization expense

	March 31, 2025	March 31, 2024
Depreciation of property, plant & equipments (refer note 3A)	149.34	125.04
Depreciation - Right-of-use Asset (refer note 3D)	15.69	5.80
Amortization of intangible assets (refer note 3C)	16.47	12.54
	181.50	**143.38**

Note 27: Earnings per share (EPS)

	March 31, 2025	March 31, 2024
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS	1,209.44	835.93
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 (₹)	**133.65**	**92.38**
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, 2025	March 31, 2024
Net Service cost	5.93	2.65
Net interest cost	0.17	0.07
	6.10	**2.72**

Other Comprehensive Income

	March 31, 2025	March 31, 2024
Actuarial gain / (loss) on liabilities	(1.62)	(0.39)
Actuarial gain / (loss) on assets	(0.02)	(0.03)
Closing balance recognized in OCI	**(1.64)**	**(0.42)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

The amount recognized in Balance Sheet

	March 31, 2025	March 31, 2024
Present value of funded obligations	40.10	31.72
Fair value of plan assets	29.02	26.09
Net defined benefit liability / (assets) recognized in balance sheet	**11.08**	**5.63**

Change in Present Value of Obligations

	March 31, 2025	March 31, 2024
Opening of defined benefit obligations	31.72	26.13
Defined benefit obligations of subsidiary acquired	-	2.75
Service cost	5.93	2.65
Interest Cost	2.05	1.74
Benefit Paid	(1.22)	(1.05)
Actuarial (Gain)/Loss on total liabilities	1.62	(0.50)
Closing of defined benefit obligation	**40.10**	**31.72**

Change in Fair Value of Plan Assets

	March 31, 2025	March 31, 2024
Opening fair value of plan assets	26.09	22.68
Actual Return on Plan Assets	2.37	1.64
Employer Contribution	1.78	2.82
Benefit Paid	(1.22)	(1.05)
Closing fair value of plan assets	**29.02**	**26.09**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2025	March 31, 2024
Investments with insurer (LIC)	84%	82%
Investments with insurer (ICICI)	16%	18%

The significant actuarial assumptions were as follows :

	March 31, 2025	March 31, 2024
Discount Rate	6.54% to 6.71% p.a	7.13% to 7.19% p.a
Rate of increase in Compensation levels	8.00% p.a	7% to 8.00% p.a
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Rate of Return on Plan Assets	7.13% to 7.19% p.a	7.30% to 7.36% 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 2024-25

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(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, 2025	Impact (Absolute)	Impact (%)
Base Liability	40.10		
Increase Discount Rate by 0.50%	40.29	0.19	0.48%
Decrease Discount Rate by 0.50%	39.89	(0.21)	(0.52%)
Increase Salary Inflation by 1.00%	40.49	0.39	0.98%
Decrease Salary Inflation by 1.00%	39.69	(0.41)	(1.02%)
Increase in Withdrawal Assumption by 5.00%	42.10	2.00	4.99%
Decrease in Withdrawal Assumption by 5.00%	38.08	(2.02)	(5.03%)

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 A : Capital Commitments

	March 31, 2025	March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	430.89	168.79

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, 2025	March 31, 2024
Lease payments recognised during the year	17.46	9.68
Within one year	12.00	9.62
Later than one year but not later than five years	14.07	13.57
More than five years	10.22	11.01

Note 29 B : Contingent liabilities

	March 31, 2025	March 31, 2024
Claims against the Group not acknowledged as debts (refer note a)		
Excise related matters including GST	9.47	12.41
Sales tax / VAT related matters	8.44	8.90
Others	0.70	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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies (Contd..)

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. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

Note 30 : Related Party Disclosures

A Names of related parties and related party relationship :

Sr. No.	Name of related party	Relation
I	**Associates and Joint Ventures**	
1	Zmotion Automonus Private Limited	
2	Astra Resources (Pty) Limited	
3	Solar United Company Limited (Formerly known as Solar AGC Limited Liability) (Note-i and Note-ii)	
4	Ortiz Investments Pty Limited (Note - iii)	
II	**Non Executive Director**	
	Shri Satyanarayan Nuwal	Chairman
III	**Key Management Personnel (KMP) (Holding Company)**	
1	Shri Manish Nuwal	Managing Director and CEO
2	Shri Suresh Menon	Executive Director
3	Shri Milind Deshmukh	Executive Director
4	Shri Moneesh Agrawal	Joint Chief Financial Officer
5	Smt. Shalinee Mandhana	Joint Chief Financial Officer
6	Smt. Khushboo Pasari	Company Secretary and Compliance Officer
IV	**Relatives of KMP**	
1	Shri Kailashchandra Nuwal	
2	Shri Raghav Nuwal	
3	Smt Seemadevi Nuwal	
4	Smt Leeladevi Nuwal	
V	**Non Executive Independent Directors[1]**	
1	Shri Natrajan Ramakrishnan	Non Executive, Independent Director
2	Shri Jagdish Belwal	Non Executive, Independent Director
3	Smt Rashmi Prasad	Non Executive, Independent Director
4	Shri Dinesh Kumar Batra (appointed w.e.f. April 1, 2024)	Non Executive, Independent Director
5	Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)	Non Executive, Independent Director
6	Smt Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)	Non Executive, Independent Director
VI	**Having control/ significant Influence by KMP or Relatives of KMP**	
1	Solar Synthetics Private Limited	Entity in which KMP/Relative has significant influence

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Related Party Disclosures (Contd..)

Sr. No.	Name of related party	Relation
VII	**Post-employment benefit plan[2]**	
1	Solar Industries India Limited employee group gratuity assurance scheme	Trust (Post-employment benefit plan)
2	Economic Explosives Limited employee group gratuity assurance scheme	Trust (Post-employment benefit plan)

Note i: The entity has not commenced its business operation

Note ii: The entity has been incorporated on July 18, 2023

Note iii: The entity has been incorporated on May 09, 2023

[1]Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2024-25. The Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

[2]Refer to Note 28 for information on transactions with post employment benefit plans mentioned above.

B. The following table provides total amount of related party transactions during the relevant financial year

S.No	Nature of Transaction	March 31, 2025	March 31, 2024
(i)	**Sales of products and services**		
	Associate :		
	ZMotion Autonomous Sytems Pvt Ltd	0.14	0.13
	Total	**0.14**	**0.13**
(ii)	**Purchase of raw material and components.**		
	Associate :		
	ZMotion Autonomous Sytems Pvt Ltd	128.82	12.18
	Total	**128.82**	**12.18**
(iii)	**Services received from related parties**		
	Associate :		
	ZMotion Autonomous Sytems Pvt Ltd	-	1.75
	Entity in which KMP has significant influence :		
	Solar Synthetics Private Limited [Rental]	0.04	0.04
	Total	**0.04**	**1.79**
(iv)	**Interest Income and loan Given**		
	Associate :		
	Ortiz Investments Pty Limited (Loan given)	0.42	31.30
	ASTRA Resources Pty Limited (Interest Income)	-	0.68
	Ortiz Investments Pty Limited (Interest Income)	2.56	0.19
	Total	**2.98**	**32.17**
(v)	**Advance given**		
	Associate :		
	ZMotion Autonomous Sytems Pvt Ltd	3.58	60.40
	Total	**3.58**	**60.40**
(vi)	**Remuneration to relatives of KMP**		
	Shri Raghav Nuwal	0.17	0.01
	Total	**0.17**	**0.01**
(vii)	**Remuneration to Chairman#**		
	Shri Satyanarayan Nuwal	18.00	10.90
	Remuneration to KMP #		
	Shri Manish Nuwal	30.00	18.30

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Related Party Disclosures (Contd..)

S.No	Nature of Transaction	March 31, 2025	March 31, 2024
	Shri Suresh Menon**	2.83	1.95
	Shri Milind Deshmukh**	2.33	2.14
	Shri Moneesh Agrawal**	0.56	0.47
	Smt. Shalinee Mandhana**	0.49	0.41
	Smt. Khushboo Pasari**	0.29	0.26
	Total	**54.50**	**34.43**
(viii)	**Sitting fees to Non-executive independent director**		
	Shri Amrendra Verma (Ceased to be a Non-Executive Independent Director w.e.f. March 31, 2024)	-	0.17
	Smt Sujitha Karnad (Failed to get requisite majority in the 28th Annual General Meeting)	-	0.03
	Shri Natrajan Ramkrishna	0.24	0.16
	Shri Jagdish C Belwal	0.19	0.08
	Smt. Rashmi Prasad	0.10	0.03
	Shri Dinesh Kumar Batra (Appointed w.e.f 01.04.2024)	0.05	-
	Total	**0.58**	**0.47**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. 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.

** Remuneration paid to KMP includes perfomance linked incentives for FY 2024-25 paid in FY 2025-26.

C. Balance outstanding at the year end were as follows:

S.No		March 31, 2025	March 31, 2024
(i)	**Loans given (including interest accrued)**		
	ASTRA Resources Pty Limited	-	1.81
	Ortiz Investments Pty Limited	34.00	30.96
	Total	**34.00**	**32.77**
(ii)	**Advances to suppliers for goods & services**		
	ZMotion Autonomous Sytems Pvt Ltd	3.58	67.43
	Total	**3.58**	**67.43**
(iii)	**Trade Receivable**		
	ZMotion Autonomous Sytems Pvt Ltd	-	0.58
	Total	**-**	**0.58**
(iv)	**Trade Payable**		
	ZMotion Autonomous Sytems Pvt Ltd	17.92	-
	Total	**17.92**	**-**
(v)	**Other payables**		
	Solar Synthetics Private Limited	0.18	0.14
	Shri Satyanarayan Nuwal	3.67	3.40
	Shri Manish Nuwal	10.94	7.69
	Shri Kailashchandra Nuwal (Refer Note number 30E)	0.13	0.13
	Total	**14.92**	**11.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Related Party Disclosures (Contd..)

D. Terms and conditions of transactions with related parties

(i) Sales to related parties and concerned balances

(a) For terms of transaction

Sales are made to related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees sales price, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties, who purchase goods and services of the Company in similar quantities. Such sales generally include payment terms requiring related party to make payment within 30 to 60 days from the date of invoice.

(b) For terms of balance

Trade receivables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these receivables. For the year ended March 31, 2025, the Group has not recorded any impairment on receivables due from related parties of ₹ Nil (March 31, 2024: Nil).

(ii) Purchases of goods and related balances

(a) For terms of transaction

Purchases are made from related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees purchase price and payment terms with the related parties by benchmarking the same to sale transactions with non-related parties entered into by the counter-party and similar purchase transactions entered into by the Company with the other non-related parties.

(b) For terms of balance

Trade payables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been given against these payables.

(iii) Services rendered to related parties

The Company has entered into contract with related party for rendering the rental and other services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(iv) Services received from related parties

The Company has received miscellaneous services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(v) Loans given to related parties

The loan granted to associates was given for business purpose. The loan has been utilized by the associates for the purpose it was obtained. The loan carries interest at 8% p.a. For the year ended 31 March 2025, the Company has written off ₹ 1.81 crores due from associate (31 March 2024: Nil).

(vi) Compensation to KMP of the Group

The amounts disclosed in the table of Note 30 (B) represents the expense recognised,which includes remuneration paid during the financial year related to KMPs as approved by the respective committees. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable.

(vii) Compensation to Independent directors of the Group

The amounts disclosed in the table of Note 30 (B) represents director sitting fees paid during the financial year related to independent director as approved by the respective committees.

E. 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Related Party Disclosures (Contd..)

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 Holding 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, 2025	March 31, 2024
India	3,508.28	3,189.39
Outside India	3,851.78	2,719.63
Total	**7,360.06**	**5,909.02**

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, 2025	March 31, 2024
India	2,913.52	2,131.52
Outside India	721.85	485.59
Total	**3,635.37**	**2,617.11**

There is only one customer individually contributing more than 10% of Group's revenue, total amount of gross revenue from such customer for the year ended on March 31, 2025 is ₹ 956.76 (March 31, 2024 is ₹ 925.83)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

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, 2025 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, 2025 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	36.35	4	-	-	-
Loans	34.64	5	-	-	-
Other financial assets (except derivatives)	304.74	6	-	-	-
Trade receivables	1,238.58	7	-	-	-
Cash and cash equivalents	590.43	8	-	-	-
Bank balances other than cash and cash equivalents	135.05	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	3.98	4	-	-	3.98
Investment in compulsory convertible debenture (unquoted)	1.20	4	-	1.20	-
Investment in ICICI Prudential Short Term Fund Direct Plan growth option	0.02	4	0.02	-	-
Investment in SBI Overnight Fund Direct Growth	172.50	4	172.50	-	-
Investment in Kotak Liquid Direct Growth	251.17	4	251.17	-	-
Investment in Kotak Overnight Direct Growth Fund	105.30	4	105.30	-	-
Fair Value through profit and loss					
Derivative Instruments	4.90	6	-	4.90	-
Fair value through other comprehensive income					
Derivative Instruments	3.03	6	-	3.03	-
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	105.75	4	-	-	105.75
	2,987.64		**528.99**	**9.13**	**109.73**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2025 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	393.88	13	-	-	-
Current	545.71	14	-	-	-
Acceptances	394.61	15A			
Trade Payables	492.52	15B	-	-	-
Lease Liabilities	35.36	3D	-	-	-
Other financial liabilities (except derivatives)	159.45	16	-	-	-
Derivative Instrument not designated as hedge	5.31	16	-	5.31	-
Total Financial liabilities	**2,026.84**		-	**5.31**	**-**

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, 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	27.83	4	-	-	-
Loans	35.80	5	-	-	-
Other financial assets (except derivatives)	241.88	6	-	-	-
Trade receivables	844.85	7	-	-	-
Cash and cash equivalents	258.98	8	-	-	-
Bank balances other than cash and cash equivalents	28.28	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.51	4	-	-	0.51
Investment in Astra resources pty limited	6.38	4	-	-	-
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	-	-
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	**1,805.69**		**213.49**	**26.08**	**122.12**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	583.55	13	-	-	-
Current	521.42	14	-	-	-
Acceptances	229.71	15A			
Trade Payables	322.94	15B	-	-	-
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	**1,797.86**		**-**	**0.49**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigatory 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 / forward contracts
Market Risk- Equity price risk	Investment in Equity Securities, Mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letters of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: 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 SOFR rates as most of borrowings are linked to SOFR. 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, 2025	March 31, 2024
Derivatives designated as hedge			
Interest rate swap	USD	3.03	8.63

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 3.60 (Pre-tax) (For March 31, 2024: ₹ 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 ₹ 1.96 (For March 31, 2024: ₹0.14)."

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relate primarily to the Group's operating activities and the Group net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

Unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Group has borrowings in foreign currency amounting to ₹ Nil (March 31, 2024: ₹ 9.92). 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, 2025	March 31, 2024
Derivatives not designated as hedge			
Forward contract	USD	364.65	188.89

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2025										March 31, 2024							
	USD	AUD	EURO	GBP	SGD	MUR	ZAR	SEK	GHC	ZIG	USD	SEK	EURO	GBP	SGD	MUR	ZAR	IDR
Trade Receivable	419.69	-	-	-	-	-	-	-	0.46	-	339.53	-	46.04	-	-	-	-	-
Loans and other receivable	-	-	-	-	-	-	-	-	-	-	28.96	-	-	-	-	-	-	-
Cash and Cash equivalents*	70.70	-	0.01	-	-	-	0.08	-	2.08	0.00	36.66	-	0.06	-	-	-	0.06	-
Other Financial Asset	21.84	-	-	-	-	-	-	-	6.78	-	-	-	-	-	-	-	-	-
Borrowings	274.58	-	-	-	-	-	-	-	-	-	392.90	-	-	-	-	-	-	-
Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	0.19	-	0.68	-	-	-	-
Other Financial Liabilities	54.41	-	-	-	0.10	0.18			16.11	-	0.22	-	-	-	0.38	0.02	-	0.12
Acceptances	5.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	170.59	-	0.04	0.01	-	-	-	0.22	5.22	-	385.04	0.01	0.04	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2025	March 31, 2024
USD	0.07	(3.73)
ZIG*	0.00	-
SEK*	(0.00)	(0.00)
EURO*	(0.00)	0.46
ZAR*	0.00	0.00
GBP*	(0.00)	(0.01)
SGD*	(0.00)	(0.00)
MUR*	(0.00)	(0.00)
GHC	(0.12)	-
IDR*	-	(0.00)

* Amount is less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 33: Financial risk management objectives and policies (Contd..)

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the invested 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, 2025	March 31, 2024
Investment in mutual funds	528.99	213.49

The impact of increases/ decreases of the BSE/ NSE index on the Group's investment in equity shares and mutual funds and gain/ loss for the period would be ₹ 5.29 (March 31, 2024: ₹ 2.13). 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, 2025	1,069.98	101.54	118.94	1,290.46
As at March 31, 2024	678.28	115.22	124.23	917.73

The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2025	March 31, 2024
Opening balance	72.88	72.92
Provision for expected credit losses & bad debt written off (net)	(12.51)	26.85
Addition due to acquisition (refer note 40)	3.28	0.60
Currency translation difference	(11.77)	(27.49)
Closing balance	**51.88**	**72.88**

No significant changes in estimation techniques or assumptions were made during the reporting period.

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Note 33: Financial risk management objectives and policies (Contd..)

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. The processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2025						
Borrowings						
From Banks (net of interest accrued but not due)	-	139.85	379.02	350.98	-	869.85
From related party	-	-	-	-	-	-
From Others	8.01	0.18	-	8.23	5.30	21.72
Non Convertible Debenture	-	7.91	18.75	11.67	-	38.33
Deferred Purchase Consideration	-	-	-	9.69	-	9.69
Acceptances	-	247.90	146.71	-	-	394.61
Trade payables	0.01	470.12	22.17	0.22	-	492.52
Other financial liabilities (excluding derivatives and lease liabilities)	0.10	97.85	60.35	1.15	-	159.45
Lease liabilities (Gross)	-	3.09	8.91	14.07	10.22	36.29
Derivative Instruments	-	0.84	4.47	-	-	5.31
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
Acceptances	-	169.39	60.32	-	-	229.71
Trade Payables (including Acceptance)	-	312.08	10.86	-	-	322.94
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

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, 2025	March 31, 2024
Net debt	(182.41)	629.99
Equity	4,386.34	3,305.60
Capital and net debt	**4,203.93**	**3,935.59**
Net Gearing ratio*	-	16.01%

*Net gearing ratio for March 31, 2025 not calculated since net debt is negative.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 34: Capital Management (Contd..)

Calculation of net debt is as follows:

	March 31, 2025	March 31, 2024
Borrowings		
Non-Current	393.88	583.55
Current	250.43	198.62
Current maturities of long-term debt	295.28	322.80
	939.59	**1,104.97**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	593.03	261.54
Current Investments	528.97	213.44
	1,122.00	**474.98**
Net Debt	**(182.41)**	**629.99**

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, 2025 and March 31, 2024.

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	6	7	8	9
(A) Solar Industries India Ltd.	41.78%	3,066.96	60.11%	803.11	41.21%	(5.70)	60.31%	797.41
		3,066.96		**803.11**		**(5.70)**		**797.41**
(B) Indian subsidiaries -								
1. Solar Defence & Aerospace Limited (formerly known as Economic Explosives Limited)	16.70%	1,225.70	14.66%	195.83	6.65%	(0.92)	14.74%	194.91
2. Solar Explochem India Limited	0.00%	(0.21)	(0.57%)	(7.65)	-	-	(0.58%)	(7.65)
3. Emul Tek Private Limited	0.46%	34.03	0.95%	12.68	(2.02%)	0.28	0.98%	12.96
4. Solar Defence Limited	0.00%	0.02	0.00%	(0.00)	-	-	0.00%	(0.00)
5. Solar Defence Systems Limited	0.00%	0.02	0.00%	(0.00)	-	-	0.00%	(0.00)
6. Solar Avionics Limited	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
7. Solar Aerospace Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
		1,259.61		**200.85**		**(0.64)**		**200.21**

Notes to Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/ associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in 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	6	7	8	9
(C) Overseas subsidiaries & step down subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	2.76%	202.61	1.76%	23.45	-	-	1.77%	23.45
2. Solar Nigachem Limited	0.42%	30.47	1.72%	22.98	-	-	1.74%	22.98
3. Solar Overseas Netherlands B.V.	2.19%	160.74	(0.46%)	(6.13)	-	-	(0.46%)	(6.13)
4. Solar Explochem Zambia Limited	1.89%	138.62	5.15%	68.76	-	-	5.20%	68.76
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	3.26%	239.03	3.16%	42.22	-	-	3.19%	42.22
6. P.T. Solar Mining Services#	0.62%	45.65	0.06%	0.83	-	-	0.06%	0.83
7. Solar Nitro Ghana Limited	0.80%	59.02	2.24%	29.97	-	-	2.27%	29.97
8. Solar Madencilik Hizmetleri A.S	0.07%	4.99	(0.19%)	(2.49)	-	-	(0.19%)	(2.49)
9. Solar Overseas Netherlands Cooperative U.A	9.27%	680.56	1.38%	18.43	-	-	1.39%	18.43
10. Solar Overseas Singapore Pte Ltd	2.26%	166.24	(0.14%)	(1.86)	-	-	(0.14%)	(1.86)
11. Solar Industries Africa Limited	0.49%	35.91	(0.96%)	(12.80)	-	-	(0.97%)	(12.80)
12. Solar Nitro Zimbabwe (Private) Limited	0.24%	17.39	(0.14%)	(1.84)	-	-	(0.14%)	(1.84)
13. Solar Nitrochemicals Limited	0.92%	67.67	1.18%	15.73	-	-	1.19%	15.73
14. Solar Mining Services Pty Ltd, Australia	0.96%	70.16	(0.07%)	(1.00)	0.65%	(0.09)	(0.08%)	(1.09)
15. Solar Mining Services CI SARL, Ivory Coast	0.00%	(0.03)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
16. Solar Venture Company Limited	0.08%	5.82	0.08%	1.11	-	-	0.08%	1.11
17. Solar Overseas Mauritius Limited (Standalone)	11.67%	856.49	2.65%	35.41	(12.15%)	1.68	2.81%	37.09
18. Solar Mining Services-Albania	0.01%	0.87	0.02%	0.21	-	-	0.02%	0.21
19. Solar Mining Services-Burkina Faso	0.00%	0.01	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/ associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in 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	6	7	8	9
20. Solar Nitro SARL	0.00%	0.21	(0.00%)	(0.02)	-	-	(0.00%)	(0.02)
21. Solar Nitro Kazakhstan Limited	0.52%	38.30	(0.01%)	(0.17)	-	-	(0.01%)	(0.17)
22. PowerBlast LLP	0.55%	40.48	(0.07%)	(0.96)	-	-	(0.07%)	(0.96)
23. Maxigear(Pty) Ltd	(0.07%)	(4.88)	0.03%	0.34	-	-	0.03%	0.34
24. Frag Shared Services (Pty) Ltd	0.00%	0.09	0.00%	0.02	-	-	0.00%	0.02
25. Procapture (Pty) Ltd	0.01%	0.40	0.00%	0.06	-	-	0.00%	0.06
26. Problast BS (Pty) Ltd	(0.41%)	(30.37)	1.14%	15.22	-	-	1.15%	15.22
27. Problast BBBEE Investment Co. (Pty) Ltd	0.01%	0.42	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
		2,826.86		**247.43**		**1.59**		**249.02**
(D) Minority Interests in all subsidiaries	2.05%	150.28	5.87%	78.49	65.65%	(9.08)	5.25%	69.41
		150.28		**78.49**		**(9.08)**		**69.41**
(E) Associates, Entities with Joint control or significant influence over the entity								
Astra Resources Pty ltd	-	-	-	-	-	-	-	-
Solar United Co. Limited	0.02%	1.43	(0.01%)	(0.14)	-	-	(0.01%)	(0.14)
Ortiz Investments*	0.00%	0.00	(0.06%)	(0.76)	-	-	(0.06%)	(0.76)
Zmotion Autonomous System Private Limited	0.48%	34.92	0.54%	7.09	-	-	0.54%	7.09
		36.35		**6.19**		**-**		**6.19**

* Amount is less than ₹ 0.01

Disclosure of Group's interest in Joint Arrangements (Joint Operations) :

Name of the Joint operations	Company's % Interest		Partners and their Participating Interest (PI)	Country
	2024-25	2023-24		
PT Solar Mining Services - Indonesia	49%	49%	PT Pindad- 51%	Indonesia
PT Solar Mining Services - Thailand	50%	0%	PV Explosive-50%	Thailand

#Amount Includes Joint operations revenue and net assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 36. Revenue from operations:

a. Principal revenue generation activity

The Group is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Group is domiciled in India. The amount of its revenue from sale of products to external customers broken down by location of the customers is shown in the table below:

	March 31, 2025	March 31, 2024
India	3,508.28	3,189.39
Outside India	3,851.78	2,719.63
Total	**7,360.06**	**5,909.02**

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, 2025.

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, 2025	March 31, 2024
Trade Receivables	1,238.58	844.85
Contract Liabilities	1,330.09	228.70

d. Revenue from contract with customers amounting to ₹ 7,360.06 (March 31, 2024: ₹ 5,909.02) 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, 2025, the aggregate amount of the transaction price allocated to order backlog was ₹ 16,452.63 The Group expects to recognise revenue within fifteen years.

Note 37 : Research & Development Expenditure

	March 31, 2025	March 31, 2024
Revenue Expenditure	1.40	3.55
Capital Expenditure	-	1.02
Total	**1.40**	**4.57**

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

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 had been considered hyperinflationary since Financial Year 2019 and there were no non-monetory assets as at March 31,2023. In the previous year March 31, 2024, the Solar Nitro Zimbabwe (Private) Limited had right of use assets due to which the accounting of Ind AS 29 had been applied.

Summary of cumulative inflation year ending is:

Country	March 31, 2025	March 31, 2024	March 31, 2023
Turkey	2,954.69	2,139.47	1269.75
Ghana *	-	209.54	166.60
Zimbabwe *	-	133.39	85.87

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 ₹ 65.01 which is accounted in other expenses for the year ended 31 March 2025 (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 ₹ 38.55 has been credited to opening retained earnings as at April 01, 2024 (refer to note 12A).

* As per the principles laid down in Ind AS 21 – 'The effects of changes in foreign exchange rates', The Group has changed functional currency for Solar Nitro Ghana Limited and Solar Nitro Zimbabwe Private Limited ("step down subsidiaries") from their respective local currencies – Ghanaian Cedi (GHC) and Zimbabwean Gold (ZIG) to US Dollar ($) w.e.f. October 1, 2024.Pursuant to the change the aforesaid functional currency, the group has ceased applying Ind AS 29- 'Financial Reporting in Hyperinflationary Economies' to the said step-down subsidiaries and the amounts as at 30th September 2024 have been considered as carrying amounts prospectively (refer Note 39).

Note 39: Change in functional currencies:

As per the principles laid down in Ind AS 21 – 'The effects of changes in foreign exchange rates', The Group has changed functional currency for Solar Nitro Ghana Limited and Solar Nitro Zimbabwe Private Limited ("step down subsidiaries") from their respective local currencies – Ghanaian Cedi (GHC) and Zimbabwean Gold (ZIG) to US Dollar ($) w.e.f. October 1, 2024.

The functional currencies for the above mentioned step down subsdiaires were changed due to change in following circumstances:

1. Primary currency for receiving and retaining funds through financing and operating activities is US Dollar.
2. Changes in economic substances of underlying transactions in which the entities operate their business activities.
3. The management also intend to continue using US Dollar as primary currency for transactions

Pursuant to the change the aforesaid functional currencies, the group has ceased applying Ind AS 29- 'Financial Reporting in Hyperinflationary Economies' to the said step-down subsidiaries w.e.f October 1, 2024.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 40: Acquisition of Pro Blast Group (South Africa)

During the year ended March 31, 2025, Solar Industries India Limited through Solar Mining Services Pty Limited, South Africa (SMS SA), a stepdown subsidiary of the Company has acquired controlling stake in Problast Group entities, South Africa effective from July 1, 2024 ("acquisition date") for a consideration of ₹ 250.51 crores.

As per Share purchase agreement consideration will be discharged in two tranches, Tranch-I amounting to ₹ 207.89 crores has been already paid and tranch-II amounting to ₹ 42.62 crores will be paid on Dec-25.For Tranch-II SMS SA has recorded Deffered purchase considaration in its books amounting to ₹ 35.32 crores with corresponding effect being made to investment and goodwill accordingly.

As per sale of shares and cession of claims agreement effective date is July 1, 2024. Accordinly Group has consolidated the financial results of Pro Blast Group with effect from July 1, 2024.

Problast BS (Pty) Ltd is main operating company of Probalst Group. Problast Group provides blasting solutions, particularly in open-cast mining, drilling, blasting, and other alied services. It operates within the explosives service industry.

Below are the percentage of stake in Pro Blast Group entities:-

Entity	% Stake acquired (Tranche-I)	% shareholding subject to deferred payment (Tranche-II)	Total
Procapture (Pty) Ltd	60%	40%	100%
Frag Shared Services (Pty) Ltd	60%	40%	100%
Maxigear (Pty) Ltd	60%	40%	100%
Problast BS (Pty) Ltd*	43%	6%	49%
Problast BBBEE Investment Co (Pty) Ltd*	43%	6%	49%

*Control assessment has been carried out on the basis of principle laid out in IND AS 110 "Consolidated financial statements"

(a) Summary of assets acquired and liabilities assumed at fair value on the acquisition date:

Particulars	Total
Assets	
Non- Current Assets	
Property, Plant and Equipment	12.06
Right of Use Assets	-
Other Intangible assets	26.51
Capital Work-In-Progress	-
Deferred Tax Assets (net)	2.75
Current Tax Asset (net)	0.03
Other non current assets	-
Investments	13.45
Other Financial Asset	9.38
Current Assets	
Inventories	2.77
Financial Assets	-
(i) Trade Receivables	32.74
(ii) Cash and Cash Equivalents	8.42
(iii) Bank balances other than (ii) above	-
(iv) Other Financial Assets	-
(v) Loan	0.57
(vi) Investments	15.15
Other Current Assets	-
Assets classified as held for sale	5.05

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 40: Acquisition of Pro Blast Group (South Africa) (Contd..)

Particulars	Total
Total Assets Acquired (a)	**128.88**
Non- Current Liabilities	
Financial Liabilities	
(i) Borrowings	19.15
(ia) Lease liabilities	-
(ib) Redeemable Preference Shares	84.30
(ii) Other Financial Liabilities	-
Deferred Tax Liabilities (net)	8.83
Provisions	-
Current Liabilities	
Financial Liabilities	
(i) Borrowings	9.67
(ii) Lease liabilities	-
(iii) Trade Payables	18.35
(iv) Other Financial Liabilities	2.74
Other Current Liabilities	-
Current tax liabilities	2.93
Provisions	0.01
Total Liabilities Assumed (b)	**145.98**
Total identifiable net assets at fair value (a-b)	**(17.10)**

(b) Goodwill/ (Capital reserve) arising on acquisition has been determined as follows:

Particulars	Total
Purchase Consideration:	
Purchase Consideration Paid for equity shares (A)*	61.83
Net Assets Acquired:	
Fair value of assets acquired	(17.10)
Deferred tax liability on fair value adjustments	-
Subtotal (B)	**(17.10)**
Goodwill/(Capital reserve) on acquisition (A-B)**	**78.93**

*Out of total consideration of ₹ 250.51 crores , ₹ 61.83 Crores pertains to amount paid towards acquisition of equity shares.

**As per IND AS 103, purchase consideration has been allocated basis the fair value of the acquired assets and liabilities carried out on provisional basis and the final assessment shall be done before June 30, 2025. Accordingly, the Group has recognised goodwill of ₹ 79.29 Crore and capital reserve of ₹ 0.36 crore primarily due to the expected synergies from the combined operations.

(C) Impact of acquisition on the financial statements

Since the acquisition date, revenue from operation ₹ 318.15 Crore and profit of ₹ 24.23 Crore has been included in the consolidated statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2025 (All amounts in ₹ Crores, unless otherwise stated)

Note 41 : Other Statutory Information:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

(v) The Group has 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 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 42: 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. Additionally, the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Note 43 : 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 20, 2025, there are no subsequent events to be recognized or reported.

Note 44 : Previous year's figures have been regrouped and rearranged where necessary to confirm to this year's classification.

Note 45 : The financial statements were approved for issue by the Board of Directors on May 20, 2025.

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 20, 2025

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place: Nagpur
Date : May 20, 2025

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 20, 2025

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
Name of Subsidiaries Particulars	Solar Defence and Aerospace Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Explochem Limited	Solar Aerospace Limited	Solar Overseas Mauritius Limited	Solar Overseas Singapore Pte Limited	Solar Overseas NetWnds Cooperatie U.A.	Solar Overseas Netherlands B.V.	Solar Industries Africa Limited	Solar Explochem Zambia Limited	Solar Nigachem Limited	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi	Solar Mining Services Pty Ltd- SA	PT.Solar Mining Services	Solar Mining Services Pty Limited
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	10.06.2024	21.08.2009	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
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
Reporting Currency	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	0.05	521.45	173.87	719.37	228.54	65.05	0.01	5.56	36.99	389.27	46.93	0.00
Reserves	1,220.90	28.06	(0.04)	(0.03)	(0.03)	(9.71)	(0.01)	279.57	(7.62)	(38.81)	(67.80)	(29.14)	138.61	24.91	202.03	(179.14)	(1.29)	70.16
Total Assets	2,491.39	277.56	0.02	0.02	0.02	202.09	0.05	1,554.81	171.35	763.86	218.94	70.94	255.12	284.17	596.13	627.22	61.76	242.18
Total Liabilities	1,265.69	243.53	0.00	0.00	0.01	202.29	0.00	698.32	5.11	83.30	58.20	35.03	20.07	208.65	357.10	417.09	16.11	172.02
Details of Investments (Except Investment in subsidiaries)	356.47	4.20	-	-	-	-	-	-	1.43	-	-	0.00	0.01	-	-	-	-	-
Turnover	1,140.26	296.35	-	-	-	0.314	-	209.70	-	-	-	-	313.56	377.17	752.18	389.49	51.62	177.63
Profit before Taxation	264.50	17.87	(0.004)	(0.004)	(0.004)	(7.62)	(0.01)	37.83	(1.86)	18.43	(6.13)	(12.80)	137.94	62.60	52.53	26.72	0.98	(1.36)
Provision for Taxation	68.67	5.19	-	(0.000)	(0.000)	0.029	-	2.42	0.00	-	-	-	32.14	20.82	10.31	2.40	0.15	(0.36)
Profit after Taxation	195.83	12.68	(0.004)	(0.004)	(0.004)	(7.65)	(0.01)	35.41	(1.86)	18.43	(6.13)	(12.80)	105.79	41.78	42.22	24.32	0.83	(1.00)
Proposed Dividend																		
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	**Fellow Subsidiaries**									
Contribution to the overall performance of the Company	**15.21%**	**0.98%**	**0.00%**	**0.00%**	**0.00%**	**-0.59%**	**0.00%**	**2.75%**	**-0.14%**	**1.43%**	**-0.48%**	**-0.99%**	**8.21%**	**3.24%**	**3.28%**	**1.89%**	**0.06%**	**-0.08%**

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

Sr No	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Name of Subsidiaries Particulars	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	Solar Nitro SARL	Solar Nitro (SL) Limited	Solar Nitro Kazakhstan Limited	Power Blast LLP	Maxigear (Pty) Ltd	Frag Shared Services (Pty) Ltd	Procapture (Pty) Ltd	Problast BS (Pty) Ltd	Problast BBBEE Investment Co. (Pty) Ltd
The date since when subsidiary was acquired/Incorporated	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	01.07.2024	01.07.2024	01.07.2024	01.07.2024	01.07.2024
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
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	-	INR	INR	INR	INR	INR	INR	INR
Exchange Rate																	
Capital	19.02	0.01	49.95	30.43	1.31	0.01	0.58	0.05	0.03	-	38.59	41.47	0.00	0.00	0.00	0.48	0.00
Reserves	(1.63)	(0.05)	17.73	28.59	3.68	(0.01)	0.29	5.77	0.18	-	(0.29)	(1.00)	(4.88)	0.09	0.40	(30.84)	0.42
Total Assets	20.32	0.03	126.35	159.52	11.53	0.01	0.93	9.79	0.42	-	43.87	43.87	18.97	0.85	1.27	156.75	0.92
Total Liabilities	2.93	0.06	49.14	98.16	6.54	-	0.06	0.16	0.18	-	4.32	3.61	23.61	0.74	0.83	226.88	0.07
Details of Investments (Except Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	150.49	225.15	36.73	-	6.90	0.60	-	-	-	2.82	4.34	5.15	1.32	308.85	-
Profit before Taxation	(2.48)	(0.01)	34.76	50.27	(3.23)	(0.00)	0.25	2.35	(0.03)	-	(0.20)	(1.14)	0.75	0.06	0.14	36.43	(0.03)
Provision for Taxation	(0.63)	-	10.56	16.97	(0.74)	-	0.03	0.65	(0.01)	-	-	-	0.18	0.02	0.04	12.99	(0.00)
Profit after Taxation	(1.84)	(0.01)	24.20	33.30	(2.49)	(0.00)	0.21	1.70	(0.02)	-	(0.20)	(1.14)	0.57	0.04	0.10	23.44	(0.03)
Proposed Dividend																	
% of Shareholding																	
Contribution to the overall performance of the Company	**-0.14%**	**0.00%**	**1.88%**	**2.59%**	**-0.19%**	**0.00%**	**0.02%**	**0.13%**	**0.00%**	**0.00%**	**-0.02%**	**-0.09%**	**0.04%**	**0.00%**	**0.01%**	**1.82%**	**0.00%**

Notes:

1. Names of subsidiaries which are yet to commence operations

   Solar Defence Systems Limited, Solar Defence Limited , Solar Avionics Limited , Solar Aerospace Limited, Solar Nitro Zimbabwe (Pvt) Limited, Solar Mining Services Cote d' Ivorie Limited (SARL), Solar Nitro (SARL), 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 persuant to Section 129(3) pf 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 2024	April 06, 2022	8,75,880	27.75	45.99%	12.21	7.09	-	-	-
2	Solar United Company Limited	March,31 2024	July 18, 2023	9,80,000	1.43	49.00%	2.09	-	2.09	-	-
3	Ortiz Investments	March,31 2024	May 9, 2023	490	0*	49.00%	(1.08)	0.00	(1.08)	-	-

* Amount is less than 0.01

NOTES:

1. There is no significant influence due to % of Share Capital.
2. Solar United Company Limited is yet to commence its Business Operations.
3. 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
Membership No.- F7347

Place: Nagpur
Date: May 20, 2025

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 Thirtieth **Annual General Meeting (AGM)** of the Members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) ("**the Company**") will be held on Tuesday, 22nd day of July, 2025 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, 2025 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, 2025 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, 2025 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, 2025 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 Dividend on equity shares for the financial year ended on March 31, 2025 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 ₹ 10 /- (Rupees Ten 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, 2025 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 Suresh Menon (DIN: 07104090), 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 Suresh Menon (DIN: 07104090), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Special Business:

ITEM NO. 4

Appointment of Secretarial Auditors of the Company

To consider and if thought fit, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with the provisions of Sections 204(1) of the Companies Act, 2013 (the Act), and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and as per the recommendation of Bord of Directors of the Company, consent of the members be and is hereby accorded for the appointment of, M/s Vinod Kothari & Company, Practicing Company Secretaries, (Firm Registration No.- P1996WB042300 and Peer Review no. 4123/2023) as Secretarial Auditors of the Company to hold the office for a period of Five (5) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of 35th Annual General Meeting at such remuneration plus reimbursement of out of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

RESOLVED FURTHER THAT 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

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. 6

Ratification of Cost Auditor's Remuneration for the financial year ending March 31, 2026.

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 3,00,000/- (Rupees Three Lakhs Only), M/s Deepak Khanuja & Associates, 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, 2026 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**

Date: May 20, 2025
Place: Nagpur

Sd/-
(Khushboo A. Pasari)
Company Secretary &
Compliance Officer
Membership No.- F7347

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, 5 and 6 of the accompanying Notice are annexed hereto.

2. General instructions for accessing and participating in the 30th 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, Circular No. 9/2024 dated September 19, 2024 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 and September 19, 2024 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 Saturday, the 19th day of July, 2025, at 10:00 a.m. and ends on Monday, the 21st day of July, 2025, at 5:00 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. Tuesday, the 15th day of July, 2025, 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 Tuesday, the 15th day of July, 2025.

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. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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. 2. 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. 3. 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 4. 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 be opened. 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. 5. 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. The 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 use 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 are 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 an 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, the 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 abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 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. 1800-21-09911.

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 be opened. 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 the 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 the 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 the General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the 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 of Tuesday, the 15th day of July, 2025.

3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Tuesday, the 15th day of July ,2025 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, the 15th day of July ,2025 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 the 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 Sagar S. Gudhate , Senior Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of E-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send scan copy of a signed request letter mentioning your folio number, complete address, scanned copy of the share certificate (front and back) email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, 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@in.mpms.mufg.com

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 shareholder 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 the 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 30TH AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members 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 the 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 Sunday, the 20th day of July, 2025 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, October 3, 2024 and MCA Circulars, Notice of the AGM and the Annual Report for the financial year 2024-25 including therein the Audited Financial Statements for financial year 2024-25, 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 2024-25 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 2024-25 including therein the Audited Financial

Statements for the financial year 2024-25, 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 2024-25 and Notice of the 30th 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 Wednesday, the 9th day of July, 2025 to Tuesday, the 22nd day of July , 2025 both days inclusive, for annual closing and determining the entitlement of the Members to the final Dividend for financial year 2024-25.

Dividend related Information

8. The Board of Directors has recommended Final Dividend of ₹ 10/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2025 that is proposed to be paid on Thursday, the 31st day of July, 2025 subject to the approval of the shareholders at the AGM of the Company.

9. The Company has fixed Tuesday, the 8th day of July, 2025 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2025, 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://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html or email at solardivtax@in.mpms.mufg.com by 11:59 p.m. IST on or before, the 5th day of July, 2025. 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://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html or email at solardivtax@in.mpms.mufg.com The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before Saturday, the 5th day of July 2025.

   The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates by uploading at https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html or email at solardivtax@in.mpms.mufg.com by 11:59 p.m. IST on or before Saturday, the 5th day of July, 2025. 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 Thursday, the 31st day of July, 2025 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 Tuesday, the 8th day of July, 2025 .

    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 Tuesday, the 8th day of July, 2025 .

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, November 17, 2023, and May 7, 2024) 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://web.in.mpms.mufg.com/client-downloads.html and submitting to MUFG Intime India Private Limited at https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html by 11:59 p.m. IST on or before Saturday, the 5th day of July, 2025 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, the Company has transferred ₹ 59388.00 /- (Rupees Fifty Nine Thousand Three Hundred and Eighty Eight Only) relating to financial year 2016-17 (Final) during the financial year 2024-25 to IEPF.

    During the current financial year 2025-26, The Company will be required to transfer the unclaimed final dividend for the year 2017-18. 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 2017-18 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, 2025 (in Rupees)	Last Date for claiming Unpaid Dividend
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	100607.00	June 10, 2029
2022-23 (Final)	June 21, 2023	276432.00	June 21, 2030
2023-24 (Final)	July 18, 2024	100166.00	July 18, 2031

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 2024-25, 10 shares were transferred to IEPF.

    Further, Members who have not claimed/encashed their dividends in the last seven consecutive years from 2018-19 are advised to claim the same. In case a 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 not to 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 seeking an appointment/ 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

To Appoint Secretarial Auditors of the Company

The Board of Directors, at its meeting held on May 20, 2025, has recommended the appointment of M/s. Vinod Kothari & Co., (Firm Registration No.- P1996WB042300 and Peer review No. 4123/2023), as the Secretarial Auditors of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for a term of 5 (Five) consecutive years starting from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting, subject to approval by the Members at this Annual General Meeting.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Sr. No.	Particulars	Details
1.	Name of Proposed Secretarial Auditors	M/s Vinod Kothari & Co.
2.	Basis of Recommendation	Vinod Kothari & Company ('Firm') has been engaged in practice as company secretaries in the field of corporate laws for over 36 years. The Firm is renowned for its commitment to quality and precision, has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices. The Firm was awarded twice with Best Secretarial Audit Report and once with best PCS award conferred by the ICSI. The Firm operates from all major cities i.e. Kolkata, Mumbai, New Delhi and Bengaluru. The Board believes that their experience of conducting Secretarial Audit of listed companies and large companies, and knowledge of the legal and regulatory framework will be invaluable to the Company in ensuring continued adherence to compliance requirements under the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and other applicable laws. The recommendation for the appointment of M/s. Vinod Kothari & Company as Secretarial Auditor is based on their capabilities of providing comprehensive professional services in corporate law, SEBI regulations, FEMA compliance, laws applicable to the BFSI sector and allied fields, delivering strategic solutions to ensure regulatory adherence and operational efficiency.
3.	Term of Appointment	Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company
4.	Proposed fees	₹ 5,50,000 per annum plus applicable taxes and reimbursement of other out-of-pocket expenses actually incurred in connection with the Secretarial Audit of the Company.
5.	Credentials of proposed Secretarial Auditors	M/s. Vinod Kothari & Co. is a firm of Company Secretaries in Practice and holding Peer Review Certificate No. 4123/2023 issued by the Peer Review Board of the Institute of Company Secretaries of India.

None of the Directors, Key Managerial Personnel, Manager of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the Notice.

The Board recommends the resolution set forth in item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

ITEM No. 5

Alteration of Articles of Association ("AOA") 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 revised set of Articles of Association of the Company. Accordingly, this matter has been placed before the Shareholders for approval.

None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way concerned or interested, financially or otherwise in the special resolution except to the extent of their shareholding in the Company. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the shareholders.

ITEM NO. 6

Ratification of Cost Auditor`s Remuneration for the financial year ending March 31, 2026.

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 2025-26 ending on March 31, 2026 at the Audit Fees of ₹3,00,000/- (Rupees Three Lakhs 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, 2026.

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. 6 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 20, 2025
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

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 30th Annual General Meeting, are given below:

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	64 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 42 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 resolution no.3 as set out in this Notice read with the Statement hereto.
8.	Terms and Conditions of Revision in terms of Remuneration	As per the existing approved terms of Appointment.
9.	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance report.
10.	Remuneration proposed to be paid	As per existing approved terms of Appointment
11.	Date of First appointment on the Board	May 11, 2018
12.	Shareholding in the Company as on date of this AGM Notice	Nil
13.	Relationship with other Directors / Key ManagerialPersonnel inter-se	Shri Suresh Menon is not related to any Director of the Company.
14.	Number of meetings of the Board attended during the financial year (FY 2024-25)	5 (five) out of 5 (five) Board Meetings during the financial year 2024-25.
15.	Directorships of other Boards (Listed/ Unlisted) as on date of this AGM Notice	✓ Solar Explochem Limited ✓ Solar Defence Limited ✓ Solar Defence Systems Limited
16.	Chairman/ Member in the committees of Board of other Listed Companies in which he is the Director	Nil
17	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	Nil

Notes

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