SOLAR

Safety • Quality • Reliability

5th July, 2019

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

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

Sub: Annual Report of the Company, Notice convening 24th Annual General Meeting ("AGM") and Intimation of Record Date.

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Notice convening the AGM and the Annual Report of the Company for the financial year 2018-19, which is being dispatched/sent to the members of the Company by permitted mode(s).

The AGM of the Company will be held on Wednesday, 31st July, 2019, at 1.00 p.m. at Hotel Tuli Imperial, Central Bazar, Ramdaspeth, Nagpur-440010.

The Notice of AGM along with the Annual Report for the financial year 2018-19 is also being made available on the website of the Company at: www.solargroup.com

Further, to our letter no. dated 9th May, 2019, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Friday, 19th July, 2019 as the Record Date for determining entitlement of members to final dividend for the financial year ended 31st March, 2019. Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on or after Friday, 23rd August, 2019.

This is for your information and records.

Thanking You,

For Solar Industries India Limited

Pasari

(Khushboo Pasari)
Company Secretary &
Compliance Officer

Solar Industries India Limited
Solar

Solar Industries India Limited
Regd. Office : "Solar" House, 14, Kachimet, Amravati Road, Nagpur - 440 023, INDIA
(+91)712-6634567 (+91)712-2500200 solar.defence@solargroup.com
CIN : L74999MH1995PLC085878 www.solargroup.com

SOLAR INDUSTRIES INDIA LIMITED

Delivering Value Through Excellence

Financial Capital

Manufactured Capital

Human Capital

Natural Capital

Intellectual Capital

Social & Relationship Capital

24th Annual Report 2018-19

Read through the pages

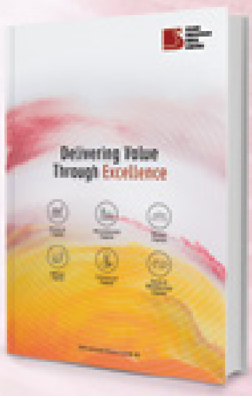
CORPORATE
Overview

STATUTORY
Reports

FINANCIAL
Statements

24TH ANNUAL GENERAL MEETING
Notice

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



The cover design represents six core capitals that encapsulate the value creation philosophy at Solar Industries India Limited. The abstract design and vibrant colours signify the essence of excellence that drives the Company.

We strive to create value through an all-encompassing quest to achieve excellence in each category. We endeavour that best of our efforts must converge into real value creation for all our stakeholders.

We believe that our operational framework has been to integrate the six capitals throughout the organisation, which not only directs us towards working relentlessly but also to deliver value through sustained performance – in a holistic way.

We concurrently focus on improving our financial performance, building our product portfolio, advancing our human resource, ensuring sustainability, and caring for the society in the process. Leveraging our rich experience and steadfastly focussing on opportunities, we aim to not only become a leading global player, but also be reckoned as a company that delivers immense value to its stakeholders.

Our focus on delivering values is based on:

- Generating returns for stakeholders through effective mobilisation and utilisation of financial resources
- World-class manufacturing facilities
- Building a talented and committed workforce, encouraging innovative ideas with customer focus
- Using natural resources efficiently
- Strengthening research capabilities
- Nurturing relationships with the community

Our Value-building Journey

Started trading in industrial explosives in 1983 with the seeds of future sown by our founder, Chairman Shri Satyanarayan Nuwal.

1996
Commenced production of packaged explosives

1998
Commenced production of Detonators

2000
Commenced production of Bulk Explosives

2001
Added Detonating Cord, Cast Booster and PETN to the product portfolio

2004
Commenced Exports

2006
Listed shares on BSE and National Stock Exchange

2007
Increased Pan India presence by setting up new bulk plants

2019

- Crossed Turnover of ₹2000 Crores
- First Indian Company to cross production of 450,000 MT of explosives.

2018

- Started Export of Defence products.
- Received ToT for mass production of crucial solid propellant booster of Brahmos Missiles

2017

- Started plant in South Africa
- Started getting Bulk Defence Order

2015

Commenced supply of HMX and HMX Compounded products

2016

Set up facilities to manufacture Warhead Filling, Pyros, Ignitors, Propellants for Pinaka Mark-II

2012

Started manufacturing unit at Turkey

2013

- Commenced manufacturing of 3-layer shock tubes
- Commenced commercial production of electronic Detonators

2010

- Emerged as India's largest explosives manufacturer
- Started overseas manufacturing units at Zambia and Nigeria
- Ventured into Defence Segment for manufacturing HMX and Propellants

About Solar Industries

Solar Industries India Limited (hereinafter known as Solar) is one of the leading global industrial explosives manufacturer. Our recent foray into defence sector, makes us the country's leading manufacturer of Ammunition in the private sector. Our integrated business model and state-of-the-art manufacturing facilities coupled with people positions us perfectly to create value for our stakeholders.

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 contain product and service costs through constant re-engineering and improvement in all business processes

To ensure high quality delivery of services offering exemplary technical, safety, administrative and professional excellence with commitment to environmental safeguards.

To forge and nurture alliances that are complimentary to the Company's global ambitions.

To retain our responsive, efficient and effective processes and services to realise our vision at all times.

Our market presence

50+

Number of countries with our market presence

Dear Shareholders,

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

The Indian economy continues to be one among the fastest growing economies of the world, with a GDP of 7.4% in FY19 despite global vulnerabilities of trade wars and tightening of US Monetary Policy.

The Govt. of India has taken multiple steps to progressively improve upon the 'Ease of doing Business'. The Indian economy has been gaining momentum to grow continuously and the prospects looks brighter.

With various structural changes made in the financial sector and with the emphasis on infra development, I am quite optimistic of the continued growth of the Indian economy in the coming years. I am hopeful that Country will maintain the GDP growth of 7.5% to 8.0% and the Indian economy will be a 5 trillion dollars economy by 2024-25. Solar continues to perform in tandem with its vision, to emerge as a global leader in the industrial and military explosives and an innovative solution provider with a well defined focus on Safety, Quality and Reliability. Today we have manufacturing presence across eight states in India and have a global footprint with four units overseas. We have leveraged our two decades of experience to provide a diversified product portfolio ranging from bulk, packaged explosives and initiating systems to High Energy Materials, Rockets, Mines, Multi Mode Hand Grenades, Missile Warheads, Propulsion Systems etc.

Your Company has made remarkable progress during the year, riding on the growth in Mining and Infrastructure sectors. Our financial performance has been in line with our earlier projections. Our net sales increased from ₹1,916.12 Crores to ₹2,461.57 Crores; registering a growth of 28.47%. The profit after tax has been recorded at ₹261.61 Crores i.e. 18.62% higher than the last year. Our performance in the Indian market and overseas market has shown impressive growth in view of our strategic planning and sustained efforts. I am indeed proud to say that your Company enjoys a commendable presence and respect in the Global market.

Overseas

Our export and overseas operations, covering more than 50 countries across the globe, contributes to 35% to the total revenue. Our new overseas operation points in Australia and Ghana will be operational in the FY 2019-2020. With increased exports and overseas expansions we anticipate consistent growth from these segments in the coming years.

Defence

In the Defence segment, we continue to expand our capacities and have been expanding the product portfolio in High energy Materials, Rockets, Mines, Propellants Systems, Missile Warheads, Multi Mode Hand

Grenades etc. We have an order book of ₹396 Crores in hand and our deliveries are picking up day by day. Our sales is ₹170.20 Crores compared to ₹37.16 Crores last year, registering an increase of 358%. I am confident that this segment will be a major contributor to our business in the coming years. We are all aware that the process of getting the products validated and becoming a qualified Vendor in Defence sector is a slow process but once established there is no looking back.

Another milestone achievement for us was the successful development of Multi Mode Grenade for the Armed Forces which has stringent quality parameters. The DRDO had taken up this project in the late nineties and had been working on its development and User Trials since 2011. However due to stringent Quality and Performance parameters laid down by the Armed Forces, the project was facing various hurdles. We joined hands with DRDO to successfully establish Multi Mode Hand Grenade which is now part of our product portfolio.

We have also participated in multiple RFPs issued by Ministry of Defence for Ammunitions and we expect that these will start to materialise soon.

Infrastructure

One of the key factor for the economic growth has been the fast pace of infrastructure development. The budget outlay on infrastructure development has been continuously growing for the last 4 years. Ministry of Surface Transport & Highways has taken multiple measures to ease the stressed assets by implementation of many innovative schemes with land acquisition process being streamlined. This has resulted in NHAI having completed 10,800 KMs in FY19 i.e. 30 KM/day, the highest so far and aims to achieve a rate of 40 KM/day. The Ministry has also planned to increase the 4-Lane road length from 1.22 Lakh KMs which is 2% of total 5.76 Million KM to 2 Lakh KMs (4%) by 2022-23.

With all this, we see a healthy increase in demand for particularly packaged Explosives in the coming years.

Mining

FY19 has seen positive growth in the Mining Sector. This was possible due to various measures taken by the Government like improving the evacuation of coal by creating new Railway Lines, increasing the availability of Rakes by railway by over 10%, helped Coal India Limited & Singareni Collieries Company Limited to show impressive growth of 7% and 4% respectively. Coal India Limited is now in the process of acquiring high capacity mining equipment valued at about ₹7,000 Crores which should boost the coal production in the Country. I am confident that the Coal Industry will continue to grow at 7 – 8% annually. Both Coal India Limited and Singareni Collieries Company Limited have taken a 8% increase in Target for 2019-2020 i.e. 655 MT & 70 MT respectively and the captive coal mines have already shown 10% growth.

Safety Health & Environment

Health, Safety and Environment is an integral and essential part of our business and key to our existence. Our SHE management is modelled on ISO 14001:2015 and OHSAS18001:2007 standards. The policies are framed to prevent and mitigate harm to health and environment. We lay great emphasis on imparting hands-on training to our employees at all levels to create safety awareness.

Corporate governance

Acting in accordance with the principles of responsible management, we lay emphasis on corporate governance as crucial to our business sustainability. Good corporate governance is aimed at increasing the value of our business. At Solar, we have a transparent reporting and internal communication system and a policy on corporate governance aimed at active and meaningful engagement with our stakeholder community.

Social Responsibility

At Solar, we have enhanced our scope of social engagement as we strongly believe that it is our moral duty to provide support to our society at large. Right from the neighborhood environment, we care for the people around us and we take it as our responsibility to work for their benefit and to make a difference to the lives where we can.

Future Outlook

With the highly motivated work force, complete product range, best in class technology and strong financials, I am indeed confident that we will increase our growth in the Explosive Industry as we seek expansion of our capacities both Green field and Brown field. Our products and services have been well accepted in the International markets and our existing overseas plants will continue to increase volumes. We have also set a target for ourselves to increase our presence in five other countries in the coming years.

While our product portfolio in the Defence sector is increasing day by the day and the fact that many countries internationally are looking at us for a source of supply having assessed our quality and competence to be on par with global manufacturers, this will certainly form a major component of our business turnover in the coming years. We expect domestic off take to increase substantially as Indian defence establishments are streamlining their domestic procurement procedures and as testing & validations of most of our products are completed.

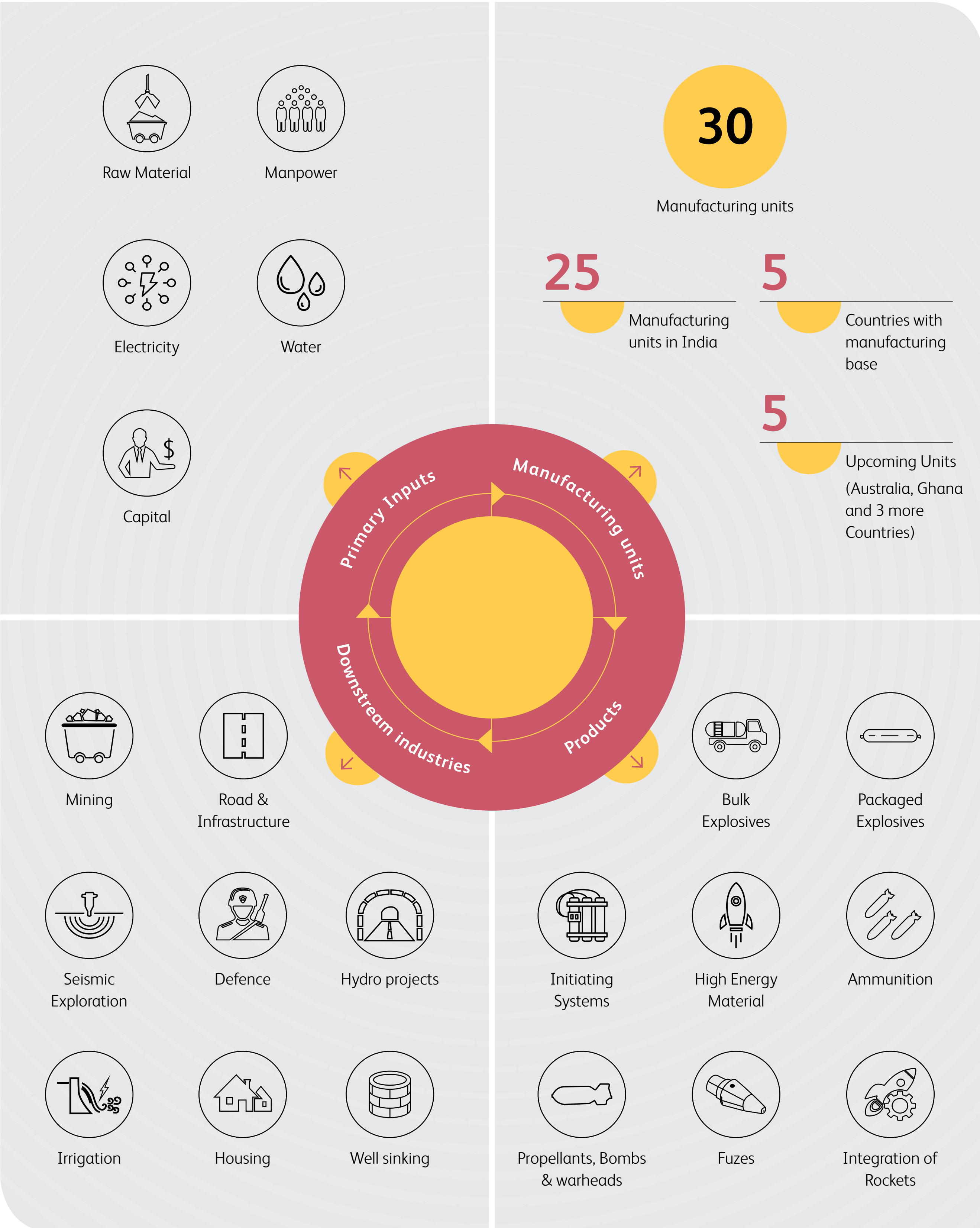
I take this opportunity to thank the entire team of Solar for their dedication, hard work and commitment, which has helped us to be on the trajectory of success in every field. I would also like to place on record my sincere appreciation towards the Board of Directors for their guidance and my gratitude to all our stakeholders for continued faith in Solar. We together look ahead towards a much bigger future!

Regards,

Satyanarayan Nuwal
Chairman

Our Business Model

Built on values of safety and quality



Input

12333428 KWH
of Power consumed

6054 Global work force

269764 KL
of water consumed

₹271 Crores
Capital expenditure incurred

₹1400.94 Crores
of materials consumed

Process

7.74 million
hours of Incidental free work

55892 hours
of training provided

₹19.68 Crores
Research and Development cost

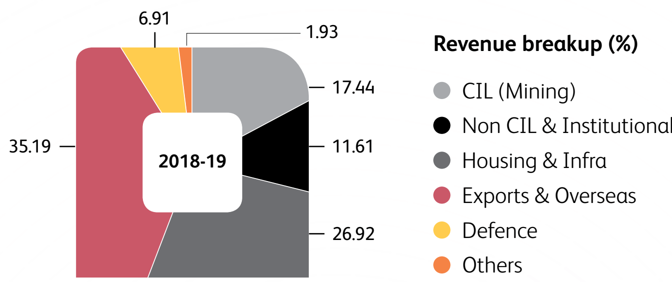
Outputs

450,000+ MT
of explosives produced

180+ Million
numbers of detonators manufactured

134.49+ Million
Meters of detonating cord produced

₹2461.57 Crores
total revenue



Outcomes

For Solar

₹516.67 Crores
EBITDA

261.61 Crores
PAT

0.48
Debt to equity ratio

29.48%
ROCE

407.90 Crores
PBT

₹9740 Crores
Market capitalisation

For Stakeholders

22 nos.
of customer complaints redressed

₹5.17 Crores
spent towards CSR activity

Zero
Investor Complaints received

29.19%
Dividend payout ratio

Stakeholder Engagement

Solar's stakeholders are defined as customers, investors, employees, community and government. Effective and sincere communication with stakeholders and their participation are key to Solar's sustainable business model. At Solar, we realise and address the stakeholder needs and have built a strong relationship framework to drive stakeholder value-creation.

Stakeholders	Customers	Investors
Objective	Enhance and enrich the value for our customers through the products and services we provide.	Engage continuously with the investors, informing them about the performance of the Company and market threats.
How do we engage	Our Marketing and service Engineers keep a constant contact with customers, assist them, get their feedback on which we act upon.	• Conduct timely Annual General Meeting, Annual Reports. • Conference calls, Analyst meet, Road shows. • Stock Exchange releases and Updated website.
Outcomes in 2018-19	• Expanded our presence globally. • Provide products that are highly qualitative.	• Dividend payout ratio of 29.19%.

Employees

Recognise our people as long-term competitive edge, encouraging them to build a culture of excellence.

- Defined policies covering recruitment, training, attrition and grievance.
- Regular internal communication.
- Career opportunities.
- Training programmes.
- Succession planning and internal placement.
- Safe and healthy workplace.

- High productivity level Sustained Quality of Employees Work.

Community

Build strong and trustworthy relationships within the communities we operate.

- Providing employment opportunities to the local residents in vicinity of our plant areas.
- Make sustained efforts to make a positive contribution to environment.
- Contributing effectively to social development.

- Contributed towards empowering lives across several areas.
- 5S implementation at their homes.

Government

Comply with regulations, meetings with officials and actively being involved in discussions in regards to any changes.

- Filing with regulators and stock exchange on time.
- Timely payment of taxes.
- Conduct timely audits and compliances under the applicable acts and laws.

- Compliance and adherence to these laws has resulted in incorporating best practices in business operations.

About this Report

Reporting scope and period

The Annual Report covers information on business operations of Solar Industries India Limited (including global operations and subsidiaries), aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals cover information on India and overseas operations unless otherwise stated. The Annual Report considers the primary reporting period as April 01, 2018 to March 31, 2019. However, some of the sections of the report represent facts and figures of previous years to provide a comprehensive view to the stakeholders.

Reporting framework

The report follows largely the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the other applicable laws.

Our listing

Our shares are listed and actively traded on the BSE Limited and National Stock Exchange Limited.

BSE script code: **532725**

NSE script code: **“SOLARINDS EQ”**

Forward-looking statements

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

Annual Report Formats

This annual report is available in the following formats:

- Printed copy
- Online
- Smartphones

Delivering Value Through Excellence

Financial Capital

Manufactured Capital

Human Capital

Natural Capital

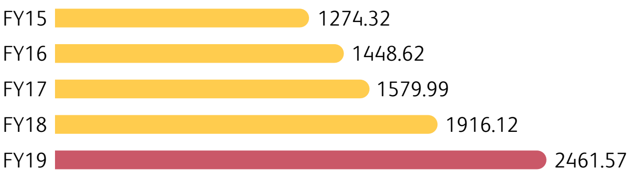
Intellectual Capital

Social & Relationship Capital

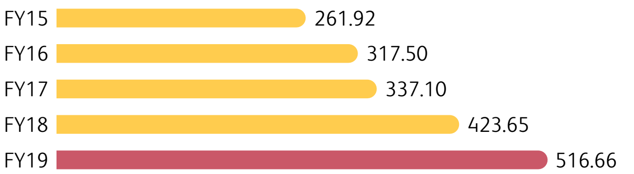
Financial Capital

Solar is always focused on improving shareholders return by maintaining an optimal capital structure. For the financial year ended March 31, 2019, the Company delivered robust financial performance on multiple fronts, including strong cash flow, steady EPS growth and healthy ROCE.

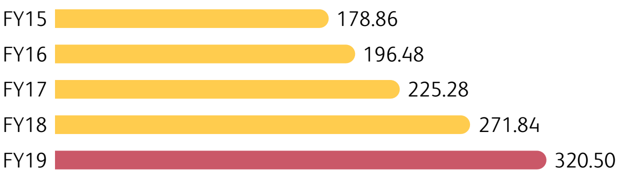
Net Sales (₹ in Crores)



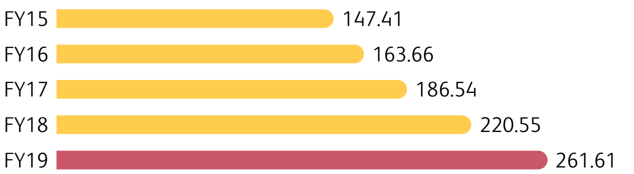
EBIDTA (₹ in Crores)



Cash Profit (₹ in Crores)

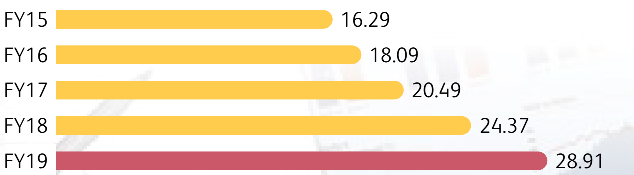


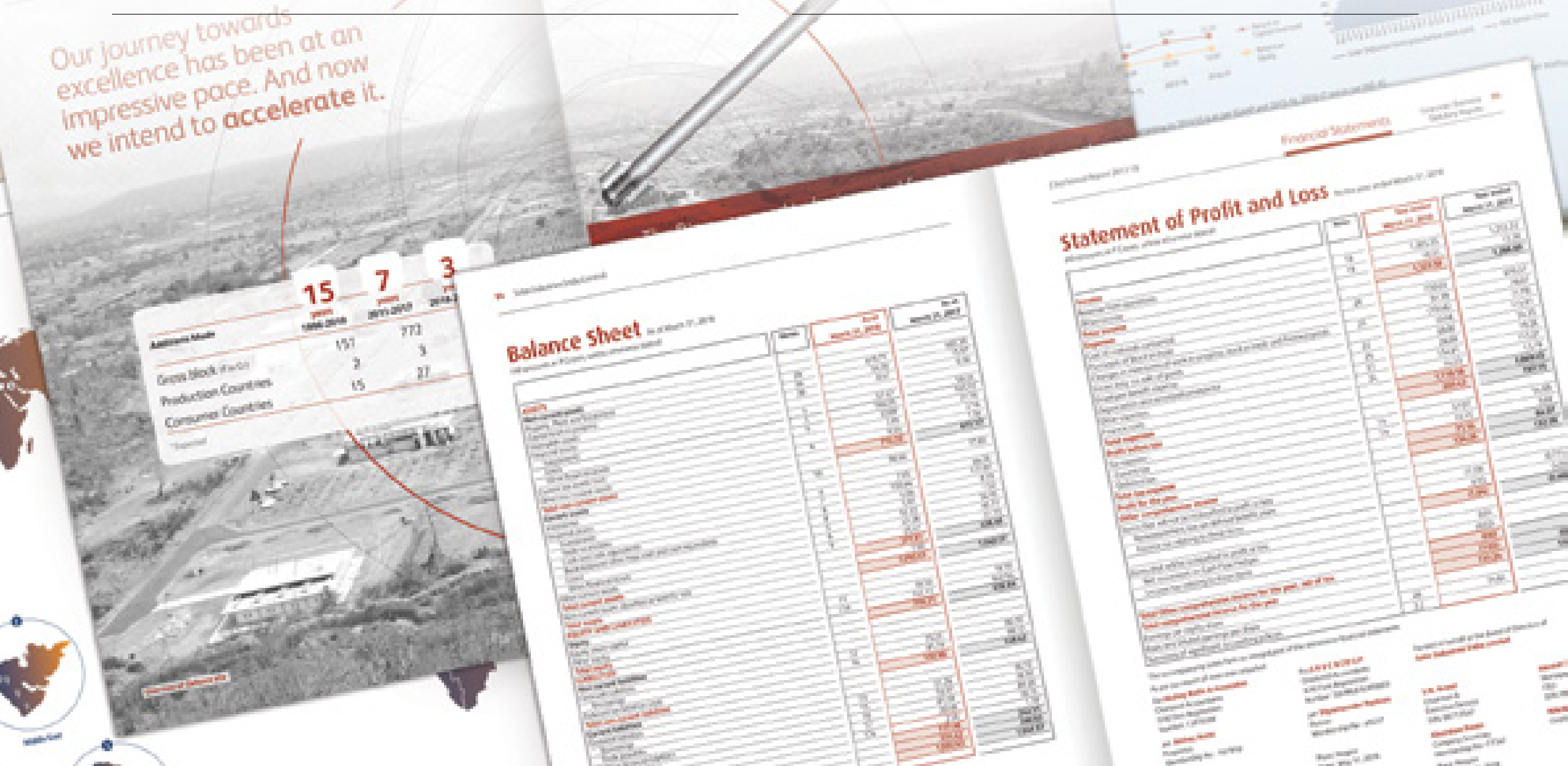
PAT (₹ in Crores) (after minority)

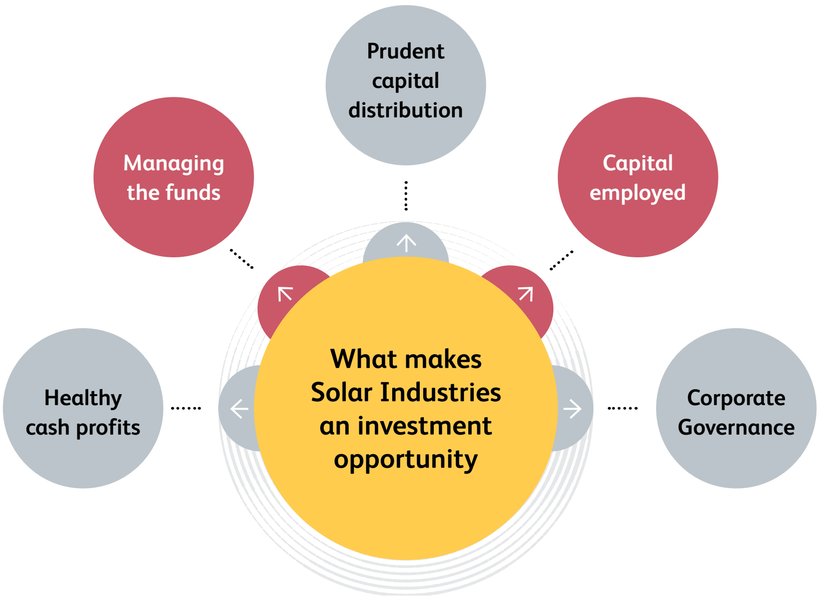


ROCE (%)

EPS (in ₹ per share)







Healthy cash profits

Strong cash profits worth ₹320.50 Crores validating the strength of the Company.

Managing the funds

The debt-levels and low cost of borrowings at Solar continue to remain better than the industry average, where our long-term debt stood at ₹289.87 Crores as on 31, March 2019, with a modest debt-equity ratio of 0.48.

Prudent capital distribution

We continue to reinvest the profitability in the business, with ₹780.43 Crores being reinvested, while ₹208.26 Crores being distributed as dividends in last five years.

Capital employed

Strategically deployed funds in a prudent way to give a healthy ROCE at 29.48 % for FY19.

Corporate Governance

Our strong governance structure is reflected in regular audits, safety checks, periodic and transparent communication with stakeholders at all times.

28.47% ↑
Net sales (Y-o-Y)

21.95% ↑
EBIDTA (Y-o-Y)

20.10% ↑
Profit before tax (Y-o-Y)

18.62% ↑
Profit after tax (Y-o-Y)

₹28.91
Earnings per share

21.13%
Return on equity

29.19%
Dividend Payout

₹1,238.33 Crores
Net Worth

* The above stated figures are as on March 31, 2019

Manufactured Capital

Day-to-day advances in manufacturing technologies make our factories safer and smarter. The investments in various projects, manufacturing processes and complex supply chains have enabled to improve efficiency and reduce operating costs.

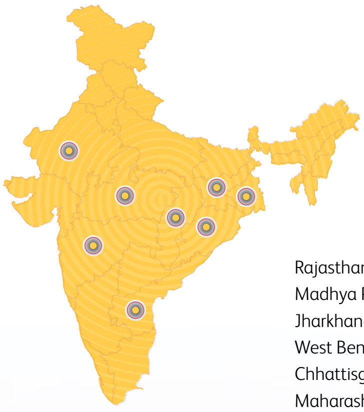
A global industrial explosives player

Solar has transformed today from being just a trading entity of industrial explosives to a recognised global player. Our manufacturing units which are set up in five countries with highest safety and environment standards, consistent quality and excellent service has established our presence in over 50 countries. Our expansive product portfolio with state-of-the-art manufacturing capabilities and integrated model, help us to create strategic efficiencies and build synergies.

With stringent safety and quality measures and backward integration, we have helped cement our market position in India and the overseas markets.

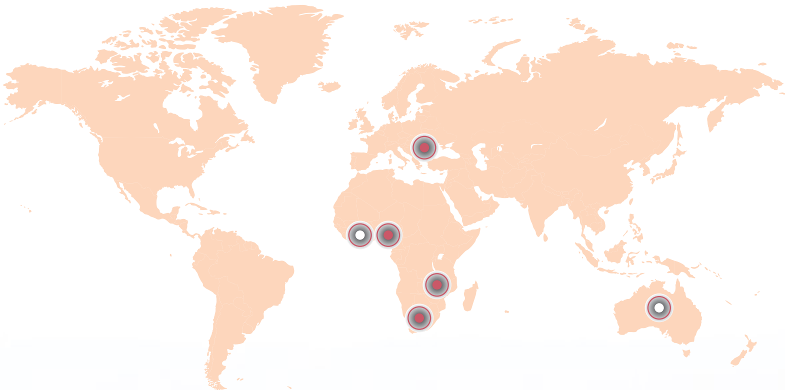
Our R&D team has developed new products over the years, adapting to dynamic customer needs and evolving industry standards. We continue making substantial investments in our capacities that has helped us partner in the nation's progress.

Our presence in India



Rajasthan
Madhya Pradesh
Jharkhand
West Bengal
Chhattisgarh
Maharashtra
Odisha
Telangana

Our global presence



Existing Upcoming

Zambia
Nigeria
Turkey
South Africa

Australia
Ghana and
3 more countries (upcoming)

Manufactured Capital

Defence portfolio

Over the recent past we have made significant investments in expanding our product offerings in defence sector. Long before the current reform of 'Make in India', we at Solar proactively invested in setting up state-of-the-art facilities to manufacture critical defence products. We remain among the first private players to foray into manufacturing defence products that not only aligns to our core business, but has also enabled us to leverage the deep expertise, knowledge and practices of our core business.

Our differentiators

License & certification

The criticality of defence industry requires multiple approval stages with several licenses and certifications. We possess all the necessary licenses and certifications to deliver critical defence products, positioning us better compared to others.

Integrated facilities

Our integrated facilities and diversified product portfolio ranging from High Energy Materials, Composite Propellants, Fuses, Pyros and Ignitors to Rocket Intigration and Filling of Ammunitions differentiates us from any other player.

Growth potential

The growing impetus of 'Make in India' and increasing demand to widen local procurement for defence industry, positions Solar to capitalise on growth opportunities.

Human Capital

Our employees are important conduit for our business sustainability and growth. We remain focused on capitalizing and improving the opportunities for embedding a high-performance culture at our organization.

Our business model requires us to have health and safety as a top priority. We conducted several training programmes and safety drills across our manufacturing sites to educate our employees about various safety initiatives. Regular health check-ups are conducted across our manufacturing sites to monitor and keep the health of employees under check.

7.74

Million hours of injury-free operations

6580

Our Global Workforce

Our human resource management in underpinned by learning and development, inclusion, diversity and recognition. The strategy helps us create an environment where our employees are committed and motivated to help achieve organisational goals.

Our global team of skilled, accountable and passionate employees are critical to the success of the company. The mix of cultures and ideologies cultivates a strong sense of business growth globally. The experience and versatility of our leadership team, when amalgamated with our vision, leads to a driving excellence to next-level.

The recruitment, retention and development of female employees remains a key priority for the organisation. Our human resource policies are framed to foster a culture of equality, transparency and constructive engagement within the organisation.

Employee health and wellness form a fundamental base for our business operations. Our safety policy framework are developed to promote learning and trainings in building a condusive safe working environment at all our plants.

2822

No. of trainings conducted

55892

Total man-hours of training

Natural Capital

Having a global manufacturing base, all our plants worked together to shape an integrated environment model, where several strengthening responsible business strategies were implemented to preserve the environment.

Actions

- Hazardous and Non-Hazardous waste recycling and management
- Water conservation and management
- Air pollutant reduction initiative
- Energy efficiency and management
- Waste water management

Impacts

- Minimising the load on Landfills
- Reduced dependency on fresh water
- Air emission reduction
- Optimizing resource consumption
- Waste disposal and recycling

Approach to environmental stewardship

As a responsible corporate citizen, we systematically evaluate our operational efficiencies and believe that enhancing these will further reduce our ecological footprint. We conduct periodical review process and evaluate mitigation plan to eliminate any critical Safety, Healt and Environment (SHE) risk.

Solar strives to align its SHE system to global standards, with manufacturing sites in India certified with ISO 14001:2015 and OHSAS18001:2007 standards. During the year under review, we complied with applicable legal requirement and maintained air emission and waste generation within the prescribed limits. We do not have any open show cause / legal notice and no penalties were levied from environmental regulators.

440

Internal and External audits conducted

ISO 14001

Environmental Management System standard complied

Preserving the environment

Waste recycling management

Being an explosive manufacturer, a large portion of our waste is classified as hazardous. Specific systems and processes are in place to manage our hazardous and non-hazardous waste in compliance with waste management guidelines through innovative reuse and recycling technologies.

78486 KL

Water recycled in FY 2019

Energy efficiency management

The core activities of Solar's business are energy incentive with electricity constitutes a significant portion of the operating expenditure. Improvement in energy consumption will enable us to reduce cost and in-turn improves our operating efficiency. Initiatives to maximize energy efficiency include replacement of ordinary, CFL lamps, Sodium Vapour lamps with LED light fittings and old equipment's such as pumps, motors with energy efficient new equipments. We also installed bio-briquette fired boilers at all the manufacturing units across India to reduce the consumption of coal and fossil fuel.

Water conservation management

Solar is committed to responsible water management and usage at all manufacturing facilities as per the stated Environmental Management Principles.

We have constructed big ponds at our manufacturing sites with the guidelines of Hydro-geological dept. to harvest rain water. We have also installed efficient water fixtures, Sensors, Steam traps and other gears to reduce water utilizations and conservation of Energy.

Our water conservation initiatives have benefited us in the following ways:

- Increasing water recovery from effluent water using ETP with Reverse Osmosis (RO) System
- Reduction in cooling tower blow down
- Optimisation of Steam Condensate recovery
- The Water recirculation scheme was implemented which resulted saving in water 78486 KL / annum

Air pollutant reduction initiative

To better manage our emission levels we installed efficient dust collectors to control particulate matter emissions from the boiler. For effective treatment of acid gasses and fumes generated during manufacturing processes, our plants are equipped with well designed engineered and operating high efficiencies scrubber systems. We also commissioned bio- briquette fired boiler to offset the environmental emissions caused by uncontrolled burning of crops stubs. The volatile organic compounds emissions are controlled through better handling of liquid chemicals and solvents. We installed secondary vent condensers with chilled brine / chilled water on reactors and distillation facilities to prevent emission of hazardous gas.

Intellectual Capital

The intangible infrastructure of our business includes brand value, reputation, R&D, innovation and tacit product knowledge and experience. This gives us a competitive edge, reinforcing our ability to achieve long-term growth and sustainability.

Brand Value

Our brand ethos is ‘Safety, Quality and Reliability’ which transcends to provide best-in-class product to our valued customers. Our customer-centric business model, people-oriented approach and process excellence policy is the foundation of our brand value. These parameters enable Solar to meet its commitments timely across the globe. Our focus has always been on delivering the best without compromising on our mantra which helps us learn and adapt to new avenues, technological absorption respectively from various Research and Development perspective.

Research and Development (R&D)

With ever-evolving competitive landscape and changing consumer preference, R&D forms an integral part of our business function. It has become very vital to enhance the value proposition through the development of unique and sustainable products and service solutions. The past five years have been a milestone years for R&D at Solar in the field of new products development, products efficiency improvements and up-gradation of products quality and performance. Our milestones include upgradation of mix technology in emulsion explosives, low density bulk emulsion, electronic detonator, various composition of high energy materials, multi mode hand grenade and development of electric composition by elimination of hazardous chemicals can be highlighted.

To achieve excellence in the R&D space, we have built a competitive and experienced team. We have also inducted highly qualified Doctorate, scholars and experienced peoples in order to achieve excellence through innovation, quality and operational efficiency.

₹11.52 Crores

Average spend on R&D in last five years

Innovation

At Solar, we understand the importance of innovation and we continuously make efforts to deliver differentiated value for our consumers. We believe innovation is a broad term which not only includes development of new devices, ideas or methods, but also the process of uncovering new ways to do things. We undertake a proactive approach and undertake changes through innovation in a highly volatile business environment and successfully flourish in the challenging economic conditions.

Through innovation we have derived the following business outcomes:

- Increasing productivity and thereby increasing the profitability
- Global presence
- Effectively achieving business growth goals
- Increasing returns on capital employed

Key outcomes of our innovation strategy include launch of the following new products in the domestic and international markets:

Low Density Bulk Explosive	**Stope Prime**	**International Certified Electronic Detonator**	**Smart MMU/Pump Trucks**
High energy materials	**Multi mode hand grenades**	**Rocket Propellants**	

Social & Relationship Capital

As a socially responsible entity, we have structured our business development strategy in a symbiotic relationship with sustainable development goals. We remain steadfast to developing and supporting the local communities through various social investments programme.

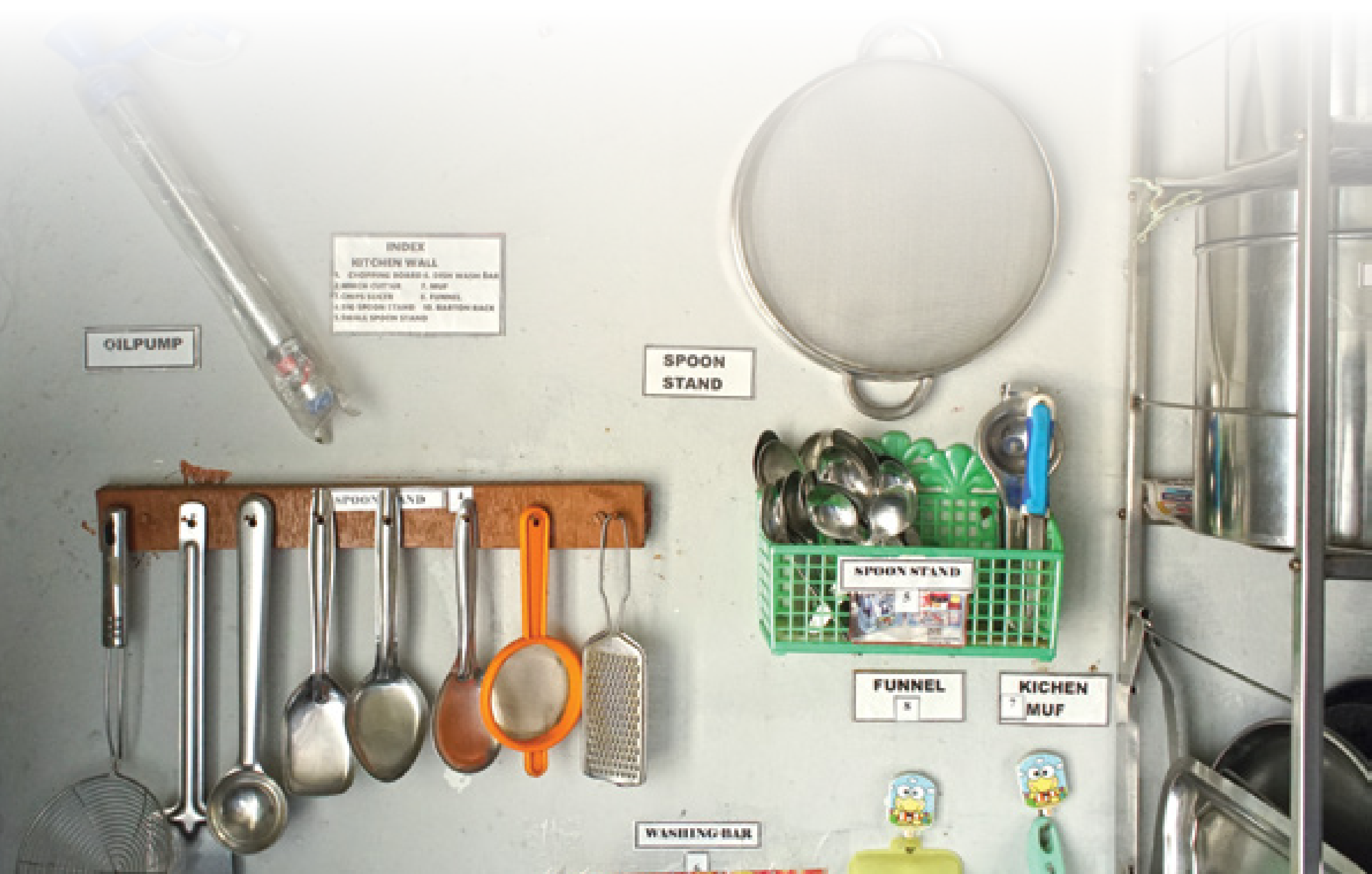
5S for Cultural Transformation at Home and Workplace

We must understand the purpose of this concept, convince our minds, adapt it in our attitude and behavior in order to implement and bring out the best into our surroundings - our home, work place followed by cultural development, promoting it across and finally towards overall development of our state and nation.

We at Solar Industries India Limited, has been successful in promoting 5S home from local plant colonies to nearby villages. 5S has reached to more than 100 houses around and we aim reaching to more than 1000 homes in coming years.

All the members of families took interest in 5S Home concept and laid their efforts in transforming their homes. Further they are cascading the same in their neighborhood, other villages around.

With this vision, we shall not only help to improve one's lifestyle and manage homes but also easily implement and replicate the same at workplaces. Further, most importantly it is our efforts on a longer run towards making of our New India by introducing such concepts from village level.



Focus areas

Education

We encourage education for communities around us.

Key Initiatives:

a) Strengthening & improving school infrastructure.

b) Special education to children by creating awareness to "Stop Child Sexual Abuse"

c) Contributed for promotion of education amongst tribal students.

Beautification/upgradation of public places

Solar works on city modernisation initiatives in order to improve the quality of life & infrastructure in cities.

Key Initiatives:

a) Solar supported beautification of Kasturchand Park, a heritage site at Nagpur for the benefit of general public.

b) Solar Initiatives include strive to improve public libraries by revitalising the ageing infrastructure and provide newer facilities.

Healthcare & Hygiene

We endeavour to deliver reliable and specialised healthcare facilities for communities in our vicinity.

Key Initiatives:

a) Free medical camps for rural communities.

b) Providing access to potable water.

c) Contribution to rehabilitation centers.

d) Facilitated local hospital with latest medical equipment.

Environment protection

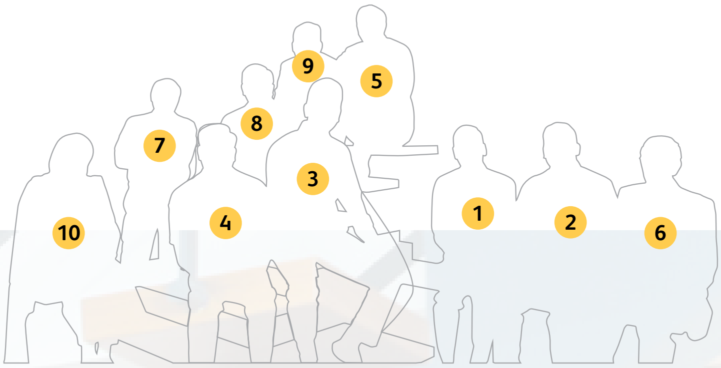
We continue to make positive strides to maintain a positive ecological balance.

Key Initiatives:

a) Plantation of trees and contribution to NGO which is actively involved in environment conservation.

b) Provided farm equipments for Agrarian development in rural sector.

Board of Directors



1. **Mr. Satyanarayan Nandlal Nuwal**
   Chairman and Executive Director
2. **Mr. Kailashchandra Nandlal Nuwal**
   Vice Chairman & Executive Director
3. **Mr. Manish Satyanarayan Nuwal**
   Managing Director & CEO
4. **Mr. Anil Kumar Jain**
   Executive Director
5. **Mr. Suresh Menon**
   Executive Director
6. **Mr. Anant Sagar Awasthi**
   Non-Executive Independent Director
7. **Mr. Dilip Patel**
   Non-Executive Independent Director
8. **Mr. Ajai Nigam**
   Non-Executive Independent Director
9. **Mr. Amrendra Verma**
   Non-Executive Independent Director
10. **Mrs. Madhu Vij**
    Non-Executive Independent Director

Scan this QR code to view the detailed profile of the Board of Directors

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal
Chairman and Executive Director

Shri Kailashchandra Nuwal
Vice Chairman and Executive Director

Shri Manish Nuwal
Managing Director and CEO

Shri Anil Kumar Jain
Executive Director

Shri Suresh Menon
Executive Director

Shri Anant Sagar Awasthi
Non-Executive Independent Director

Shri Dilip Patel
Non-Executive Independent Director

Shri Ajai Nigam
Non-Executive Independent Director

Shri Amrendra Verma
Non-Executive Independent Director

Smt. Madhu Vij
Non-Executive Independent Director

Chief Financial Officer

Shri Nilesh Panpaliya

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

Jointly with

M/s Akshay Rathi & Associates
119, Lendra Park, Near Dr. Golhar Hospital,
Ramdaspeth, Nagpur-440010, India

Bankers

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

Registrar and Transfer Agents

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

Audit Committee

Shri Dilip Patel - Chairman
(w.e.f October 29, 2018)
Shri Ajai Nigam - Member
(Audit Committee Chairman till October 29, 2018)
Shri Amrendra Verma - Member
Shri Manish Nuwal - Member
Smt. Madhu Vij - Member

Stakeholders Relationship Committee

Shri Amrendra Verma - Chairman
Shri Manish Nuwal - Member
Shri Anil Kumar Jain - Member

Nomination and Remuneration Committee

Shri Amrendra Verma - Chairman
(w.e.f. May 9, 2019)
Shri Anant Sagar Awasthi - Chairman
(Nomination and Remuneration Committee Member & Chairman till May 9, 2019)
Shri Dilip Patel - Member
Shri Ajai Nigam - Member

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal - Chairman
Shri Manish Nuwal - Member
Shri Ajai Nigam - Member

Risk Management Committee

Constituted on March 30, 2019

Shri Manish Nuwal - Chairman
Shri Anil Kumar Jain - Member
Shri Suresh Menon - Member
Shri Dilip Patel - Member
Shri Amrendra Verma - Member
Shri Sartaj Singh - Member
Shri Nilesh Panpaliya - Member
Miss Sayali Wankhade - Member

Grievance Redressel Division

investor.relations@solargroup.com

Management Discussion and Analysis

Economic Overview

Global Economy

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9% in 2018 and 2019.

One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70% of the global economies. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018, and is projected to decline further to 3.3% in 2019. Although a 3.3% global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices.

3.3%

Expected global GDP growth rate in 2019

Indian Economy

India's GDP is expected to reach 7.5% in FY20 and 7.7% in FY21. The expected growth is reflective of strong demand for goods and services and increasing industrial activity among the eight core sectors: coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity.

India was ranked 77th out of 190 countries that are included on the World Bank's Ease of Doing Business Index for 2019. India aims to be the third largest consumer economy as its consumption may triple to US$ 5 trillion by 2024, owing to shift in consumer behaviour and expenditure pattern.
(Source: : NITI Aayog)

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour

force participation, and higher education enrolment, among other factors. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

In March 2019, the Indian government has come up with a new National Mineral Policy (NMP) that replaced the earlier 2008 Policy. The latest mineral policy, which pertains to non-coal and non-fuel minerals, says that a major outcome expected from the policy proposals is to “increase the production of major minerals by 200% in 7 years”.

Despite significant achievements in infrastructure development, during last few years rapid infrastructure development in key sectors such as transport and power infrastructure remain important priorities. Continuing to drive the transformation of India’s industrial sector, ‘Make in India’ strategy will also be an important initiative, in order to improve manufacturing sector output growth and generate stronger employment growth.

India’s defence sector has been growing at a modest pace for the past few years. Modernisation of the armed forces and indigenization of manufacturing have emerged as focus areas. The segment has receiving the much-needed push under the Make in India programme. The concept of import substitution is being gradually accepted by stakeholders. This is an opportune time to embark upon a new phase of self-reliance in the sector by manufacturing technologically advanced equipment within India.

Industry Overview

Global Industrial Explosives Industry

Global Mining Explosives market size will increase to 16800 Million US$ by 2025, from 13900 Million US$ in 2018, at a CAGR of 2.4% during the forecast period. The amount of industrial explosives used in mining is expected to increase, owing to the rise in the demand for mineral extraction across the globe, thus fueling the overall growth of the industrial explosives market.

The mining segment dominated the global market in 2018, accounting for a market share of over 80%, and is expected to maintain this trend due to increasing mineral extraction and demand for rare earth metals such as gold and silver. Moreover, coal, being the most overrated fuel, is another commodity accounting for the rapid growth of mining industry across various regions. Moreover, construction segment is projected to exhibit significant growth rate during the forecast period. The adoption of industrial explosives for tunneling and highway construction is driven by ease of availability of industrial explosives and increasing awareness among construction professionals for using industrial explosives as an alternative for mechanical drills to save cost, money, and time.

Increase in mineral extraction activities along with increasing inclination of governments of various economies towards enhancing the overall mineral extraction and production capacities to boost their relative GDPs in the competitive global market has fueled the demand for industrial explosives. In addition, increasing demand for industrial explosives in open pit mining due to rising demand for various building materials and construction stones, especially from Europe, Latin America, and Asia-Pacific is another key factor propelling the growth of the global industrial explosives market.

The global mining explosives market is segmented into five regions: Asia Pacific, North America, Europe, Latin America, and the Middle East & Africa.

Asia Pacific accounts for the largest market share both in terms of value and volume owing to the increasing mining activities in countries such as China, India, and Japan. The demand for mining chemicals is increasing due to the necessity of water treatment in the region. The use of these chemicals in limestone grinding for cement production is likely to drive the global market over the forecast period 2019-2023.

North America is the second largest region in the global mining explosives market on account of the high demand for mining chemicals for limestone grinding in the U.S. The increasing demand for battery metals in electric cars is likely to fuel the demand for mining chemicals in the coming years.

The growing mining sector in Eastern European regions such as Russia, Ukraine, Bulgaria, and others is anticipated to propel the market growth in the European region. The African mining industry is expected to witness a significant growth being the largest producers and exporters of platinum, copper, iron ore, uranium, and others..

Indian Industrial Explosives Industry

The industrial explosives market is on a continuous rise due to rapid increase in mining and infrastructure development. Demand for industrial explosives is directly correlated to mining activity. Within mining, coal is the largest contributor, accounting for about 80% of the mining sector’s explosives usage. Further, the growth in the market accelerated from FY 2019, due to the efforts to increase in domestic coal production. The rapid phase of infrastructure development particularly in road sector, ports & highways and housing have shown greater demand for steel, cement and stone aggregate.

Anticipated growth in coal-fired power generation is also predicted to drive growth in the consumption of industrial explosives. Driven by growth in coal and iron ore sectors, the Indian Explosives Industry is anticipated to reach around 1.5 million tons by FY 2020 growing at a CAGR of 7.9%. Coal mining sector is likely to play a vital role in providing boost to the explosives market with an expected 8.0% CAGR during FY 2019-22 in coal production on the back of factors such as growth in coal-based power generation and announcement of steel policy. Further, increase in iron ore mining in 3 states namely, Chhattisgarh, Orissa and Jharkhand will also provide impetus to the industry.

(Source: Motilal Oswal Research report, Magzter)

Market drivers

- **Increase in demand for minerals and metals:** Rise in demand for earth minerals such as coal, iron ore, limestone, bauxite etc. remain drivers for increase in demand for industrial explosives. The mining sector in India continues to be the largest consumer of explosives and accounts for 80% of the total explosives consumed in India.

  The Mineral Industry has shown healthy growth in 2018-19 with two major Coal Companies – Coal India Limited registering a growth of 7% and Singareni Collieries Company Limited registering a growth of 4% over previous year and both these coal companies are poised to achieve a growth of 8% in the coming year 2019-20.

655 Million

Targeted production of coal in 2019-20 by Coal India Limited

The increased production in coal was facilitated by major decisions taken by the Government on opening of new railway lines in Chhattisgarh, Orissa and Jharkhand and increase in the availability of rakes to Coal Industry which on average increased to 425/day in 2018-19 compared to 387/day in 2017-18 for evacuation of coal. The auctioning of coal blocks which is yet to be streamlined and allow Captive mines to sell 25% of their produce in free market will provide added impetus to the coal mining industry and will reduce the import of coal from about 234 Million Tons presently which is a drain of over ₹1,35,000 Crores in foreign exchange. Coal India produced 607 Million Tons in 2018-19 compared to 567 Million Tons in 2017-18 and have taken a target of 655 Million Tons in 2019-20. Similarly, Singareni Collieries which has produced 64.4 Million Tons has taken a target of 70 Million Tons for 2019-20. The Captive Coal Mines are expected to produce over 50 Million Tons. Despite growth in the non-conventional power generation, coal will be the dominant fuel for the power sector considering the country's rising demand for energy with increase in consumption.

(Source: Business Standard)

- **Construction Industry:** One of the main drivers which leads to increase in demand for explosives, construction industry is growing at the backdrop of increased demand in housing, road construction, ports development and irrigation projects. In the last four years, according to NHAI, road construction has been increasing every year and in 2018-19 achieved 10,800 KMs of four-laning. In the Interim Budget of 2019-20, ₹1.97 Lakh Crores have been allocated for roads, highways, ports etc. The budget for highways is estimated at ₹83,000 Crores - 6% higher than previous year, generating adequate revenue for NHAI. The budget for building rural roads have also been increased by 22% which will boost the road construction activity substantially and increase the demand for stone aggregate quarry. At present, only 1.2 Lakh KMs of four-lane out of 57.6 Lakh KMs have been built. The Government has avowed to increase the four-laning to 2 Lakh KMs by 2022-23. This will generate a enhanced demand, particularly for packaged explosives.

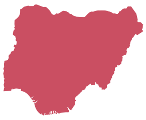
- **Housing:** Since 2014-18 1.54 Crores houses have been built under Prime Minister Awas yojana (Statement of Finance Ministry in Interim budget). As indicated in the Interim budget, a number of measures have been taken to boost the sector, like removal of tax on Notional Rent on second house, tax benefits, capital gains tax to be split in to two properties, tax relief on unsold property and lastly Income tax relief for those earning up to ₹5 Lakhs. All these will boost the construction of houses and aid to the Government's plans of providing housing to all. This will in turn create a greater demand for cement, steel and stone aggregate. The increased production in Coal, Steel & Cement sector backed by increase in road construction activity will further boost the sales of packaged explosives.

Overseas

The Industrial Explosives market worldwide has been witnessing a growth driven by an increase in mining activities as seen in developing countries. However, the global coal demand in the next 5 years is expected to be stable.. The contribution of coal sector to total energy production is expected to fall from 27% to 25% mainly due to the growth of renewable and natural gas energy. The Demand for Iron Ore, Bauxite Limestone and other is expected to grow.

The explosives industry which largely depends on the mining industry for about 80% of its production is expected to see a major shift in mining industry adopting innovative technologies and, environment-friendly measures. This means the explosives industry players would also need to adapt and embrace, technology and help produce products that compliment the mineral production in a eco-friendly manner.

Nigeria:



Nigeria, an Organisation for Petroleum Exporting Countries (OPEC) member, is Africa's largest exporter of oil. It is also home to 47% of West Africa's population. The recent election paved way for the return of the incumbent president for the second term. Nigeria emerged from recession with 0.8% growth rate. The growth was higher in 2018 at 1.9% where non-oil economy was the main driver. The economy is expected to grow at 2.7% in 2019.

(Source -World Bank)

Turkey:

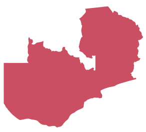
The Turkish economy has contracted 3% is the last quarter of 2018 due to currency devaluation by nearly 30% against the US Dollar. The economy is expected to contract in the first two quarters of 2019 by 3.4% & 1.2% respectively. Thereafter the economy is expected to register growth rate of 2.1%.

With the infrastructure sector growth slowing due to currency crisis and conflict of interest between the NATO members, the mining sector is expected to grow at CAGR of 5.7%.

Australia:

The Australian economy grew by 1.8% during the last year. The Australian economy is under prime structural changes as mining investment boon unwinds from peek in 2012. The government has been actively supporting corporate tax cut , renegotiating transport and port agreement to further boost the growth in economic growth. Mineral export comprises 35% of Australian total exports and Australia remains the worlds largest exporters of coal & Iron Ore and second largest exporters in Gold.

Zambia:



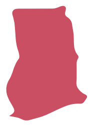
In the landlocked country in the Sub-Saharan Africa, recent policies of power and import tariff review are expected to drive the real GDP growth of Zambia. Currently with a GDP of 4% in 2018 compared to 4.1% in 2017, the copper production and construction sector is further expected to increase the GDP.

The domestic debt to GDP ratio is estimated to be 20% with the medium term outlook remaining positive with growth at 4.2% in 2019 and 4.3% in 2020. (South Africa Development Bank Group)

South Africa:

The South African economy is the second largest economy in Africa, Mining has been a driving force behind the advancement of the economy, growing at 0.8% in 2018 and forecast to grow at over 1% in 2019. With the completion of the election in 2019 we expect the government to finalize the mining charter and introduce a broad base welfare scheme. Gold & Platinum group metals continue to dominate the market with Coal, Manganese, Iron Ore & Chrome also showing increase in production.

Ghana:



Ghana has had full year GDP growth rate of 5.6% due to a rebasing exercise conducted in October 2018 from an estimate of 7.1%. GDP in the previous year. It is estimated that growth during 2019 will be 7.4% mainly to be driven by growth in industrial sector, especially oil, Gas and Mining sector.

Indian Defence sector overview

With a focus on modernization of the Defence sector, the budgetary allocation in the interim budget increased by 6.87% to ₹ 3.18 lakhs crores, an all-time high, for FY 2019-20. The increase in the allocation was on account of strengthening the security on borders of the Country. Since the implementation of Make in India initiative, the ministry of defence (MoD) has undertaken initiatives to promote indigenous defence manufacturing. These initiatives includes defence procurement process, industrial licensing, foreign direct investment, exports and innovation. To further give a boost to the sector, the MoD is planning to set up two defence industrial corridors. It has even circulated a draft defence production policy that aims at increasing defence production to ₹ 1,70,000 crore by 2025. With all the initiatives on track, the sector is expected to grow profoundly in short and medium term.

Opportunities and Threats

Possible Opportunities

Stable government with focus on infrastructure development projects is a factor fueling growth of the Indian Explosives market.

Growing mining and construction activities in emerging economies is a major factor driving growth of the global explosives market .

'Make in India' initiative not only helps the country to source its defence requirements domestically but also opens up large export opportunities.

Potential Threats

Safety and Security remains high risk factor for our Business operations. Security Threats resulting into high regulatory costs.

Environmental factors such as climate change could result into shift from Coal based thermal energy to renewable energy.

Global trade war & currency movements.

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

Product Portfolio

We are one of the leading players in the sector of Commercial and Defence Explosives with a vast marketing network across the globe.

We have developed a high-end portfolio of products in the area of Industrial Explosives and manufacturing of ammunition for Defence application:

- *Industrial Explosives:*

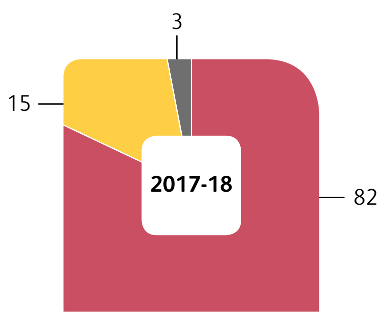
  Industrial explosives comprises of

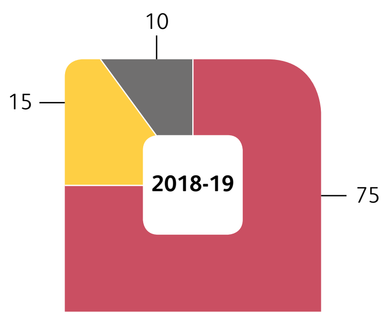
  - Bulk Explosives
  - Packaged Explosives
  - Initiating Systems.

- *Defence Products:*

  - High Energy Materials (HMX, RDX, TNT & Compounds)
  - Composite Propellants for (Pinaka, Akash, Brahmos etc)
  - Filling of Ammunitions
  - Fuses, pyros and Ignitors
  - Rocket Integration

Product-wise revenue mix (in %)





Risk Mitigation

At Solar, the risk management framework sets guidelines for operations so that the Company can continue on the path of sustainable change. These risks are monitored for changes in their exposure and are reported during the course of year.

Macro-economic & political factors

Meaning	Mitigation Strategy Adopted
Geo-political tensions, economic slowdown, change in government, legislative bodies, other foreign policies or military control could lead to economic slowdown or affect the economic growth of countries where we are present or those industries where our revenue is concentrated.	Solar continuously monitors the global environment, work with advisors, partners and governments. Our well-diversified business across geographies and industry verticals ensure sustainable business growth.

Volatility in Raw Materials price

Meaning	Mitigation Strategy Adopted
Ammonium Nitrate is the key Raw Material and pricing has been highly volatile in the international market. Moreover the pricing for diesel and industrial chemicals are linked to internationally traded commodities. Fluctuations in the prices of these products could adversely affect profitability.	Solar has price escalation clause with its major clients for compensating it with any price volatility in Ammonium Nitrate, Diesel and Labour Index. However the chances of lag in price rise in input and finished goods always remains.

Currency risk

Meaning	Mitigation Strategy Adopted
The Group is exposed to currency risk on account of its operations in other countries. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. Volatility in currency exchange movements results in transaction and translation exposure.	As per the group policy, Solar enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

Safety Health & Environment (SHE) risk in operations

Meaning	Mitigation Strategy Adopted
Solar is exposed to a wide spectrum of SHE risks, given the diversity and complexity of the industry, it operates in. A major SHE incident, such as fire, SOP violation, security breach can result in loss of life, environmental degradation and overall disruption in business activities.	The Company places utmost importance on ensuring safety of its employees, visitors to our premises and the communities we operate in. The Company has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation and support of all employees. The Company has robust training programs and reporting mechanisms in place designed to ensure regulatory compliance and mitigate the risks associated with workplace injury and conducts regular Safety audits. The Company has developed programs to promote a healthy and safe workplace, as well as progressive employment policies focused on the well being of the thousands of employees who work in it. These policies and programs are reviewed regularly by the Board of Directors.

Rising Competition risk

Meaning	Mitigation Strategy Adopted
The global explosives industry is highly competitive. The stiff competition can lead to pressure on pricing and hence can impact Company growth and profitability.	The Company has been operating under competitive environment since inception. Being one of the largest producer of explosives the Company has deep domain knowledge, state of art manufacturing facilities, skilled work force, delivery capabilities, efficient sales force and economies of scale to help retain its competitive positioning amongst peers.

Talent acquisition and retention risk

Meaning	Mitigation Strategy Adopted
Inappropriate hiring and inability to retain top talent may result in a firm's inability to pursue its growth strategies effectively.	The Company's Human Resource agenda continues to remain focused on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture and a strong talent pipeline, building capabilities in the organization and continuing to focus on progressive employee relations policies. The ability of the Company to properly develop, train and retain its employees with the appropriate skill set could affect the Company's future performance. There is always a risk associated with the loss of key personnel. Succession plans have been identified for key roles including the depth of management talent throughout the Company and its subsidiaries. Solar invests heavily in "hiring right" and "talent development & engagement". This helps provide fulfilling careers to members in Solar.

Compliance Risk

Meaning	Mitigation Strategy Adopted
Adherence to laws, regulations and local statutes across the countries is a challenge to any explosive company today. There is a risk of non-compliance in the geographies where we operate in. Inadequate compliance systems and processes pose a reputation risk for an organisation. They may result in financial losses and penalties	Solar has a dedicated in-house compliance team which manages these operations. We have knowledgeable consultants' across the countries who supports us in adhering to country specific compliance requirement. Further the Company has invested in compliance systems and processes to ensure that all its functions and units are aware of the laws and regulations to comply with and that adequate Monitoring mechanism are put in place to ensure compliance. Solar appoints local business leaders and management teams who bring a strong understanding of the local operating environment and strong customer relationships.

Cyber Risk

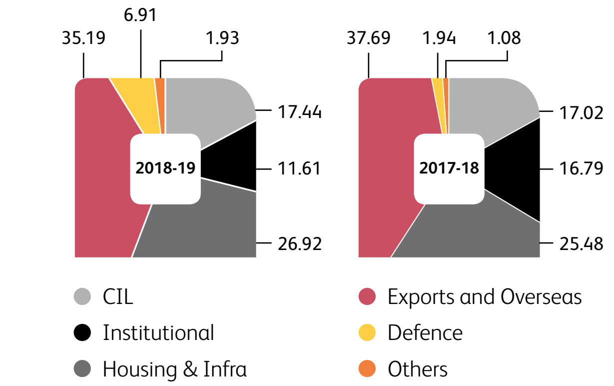
Meaning	Mitigation Strategy Adopted
Cyber-attacks could result in loss of data which can lead to financial losses, business & customer service interruption and threat of confidential information leakage.	The Company has cyber security policy in place to identify risks related to cyber security, established cyber security governance, policies, procedures and oversight processes, to protect Company networks and information. As all Company operations involve the use of IT, the Company makes no distinction between information security and cyber security. The Company maintains a detailed inventory of all information systems, including manufacturing and industrial control systems. Information and data assets are subject to the data management policy that defines parameters for the ownership, classification, security, storage, and retention of data. Software and hardware assets are subject to the information systems management policy that defines parameters for the acquisition, development, maintenance, security and disposal of information system assets.

Financial highlights

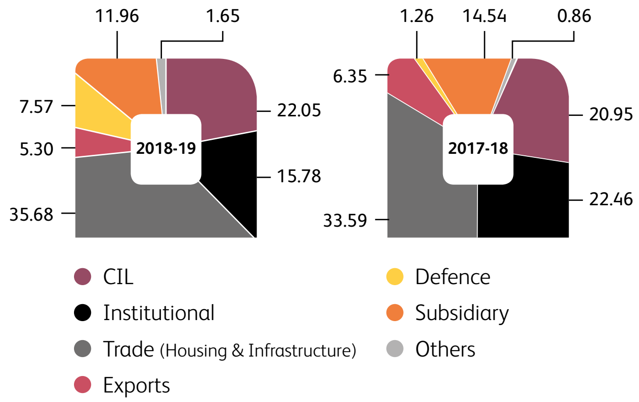
(₹ in Crores)

Particulars	2018-19	2017-18
Turnover	2461.57	1916.12
EBIDTA	516.66	423.65
Profit before tax	407.9	339.64
Profit after tax	261.61	220.55
EBIDTA margin (%)	20.99	22.11
Earnings per share (₹)	28.91	24.37
Interest cover	9.18	11.38
Gross block	1382.56	1134.8
Net worth	1238.33	1083.86
Book value per share (₹)	136.84	119.76
Return on capital employed (%)	29.48	26.20
Return on Equity (%)	21.13	20.35
Enterprise Value	10294.49	10200.83
Debt to Equity Ratio	0.48	0.44

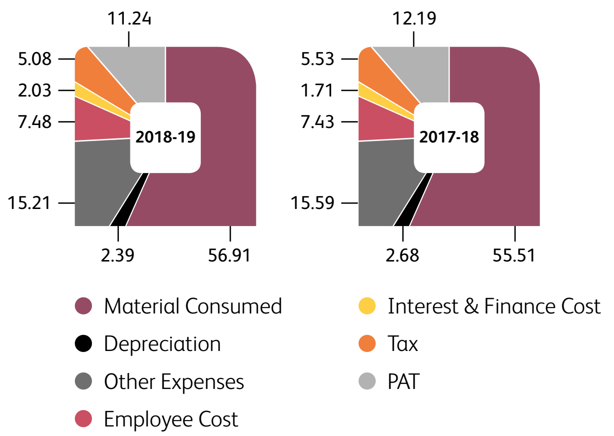
Customer-wise revenue mix (in %) Consolidated



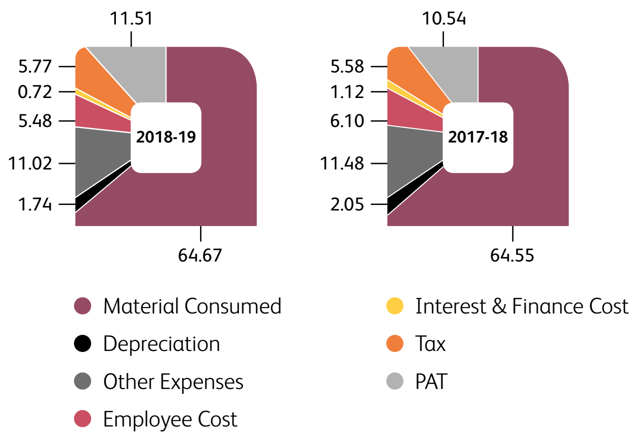
Customer-wise revenue mix (in %) Standalone



Annual Expenses Break-up (in %) Consolidated



Annual Expenses Break-up (in %) Standalone



Human Resource

The Company recognises its people as a long-term critical asset. It encourage to build an entrepreneurial culture, enabling the employees to think beyond the set targets. Solar Industries has always lived by its people philosophy, which centres around talent acquisition, training and development, leadership development, maintaining healthy employee relations, emphasis on compliances and on productivity improvement. In order to achieve these goals, the Company regularly undertakes training and development programmes, engages employees in various activities and encourages talent through mentoring and entrusting them with responsible positions.

Internal Control Systems and their Adequacy

Solar Group has optimal internal control systems and procedures in place to handle all its business processes. Solar Group has clearly defined roles and responsibilities for all managerial positions. Its financial parameters are monitored and controlled effectively through its SAP ERP software system. During the year the Company has upgraded its SAP systems to S4 Hana.

The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism as a result of which Company is strengthening further.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised Audit plays a key role in providing assurance to the Board actions taken by the management are presented to the Audit Committee of the Board.

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

Based on its evaluation (as defined in Section 177 of Companies Act 2013 and Regulation 18 of SEBI Regulations, 2015), the audit committee has concluded that, as of March 31, 2019, internal financial controls were adequate and operating effectively.

Outlook

In the year gone by, the company delivered robust performance with the help of strong revenue growth across all its business verticals despite facing headwinds in global environment. Moving ahead in the right direction as per its vision, the company expects a growth of over 20% in its revenues and profits in FY2020. This growth is expected from industrial explosive and defence products from domestic and international markets.

Cautionary statement

This document contains statements about expected future events, financial and operating results of Solar Industries India Limited, which are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Solar Industries India Limited's Annual Report, 2018-19.

Director's Report

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Solar'), along with the Audited Financial Statements, for the financial year ended on March 31, 2019. The consolidated performance of the Company and its subsidiaries has been referred to whenever required.

1. Financial Results

The Company's financial performance for the year ended on 31st March, 2019 is summarised below.

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018
Net Revenue from operations				
(Including Other Income)	1684.44	1323.58	2476.29	1963.57
Less: Expenditure	1350.05	1077.84	1959.63	1539.92
Operating profit (PBIDT)	334.39	245.74	516.66	423.65
Interest	11.92	14.23	49.87	32.72
Profit before Depreciation & Tax (PBT)	322.47	231.51	466.79	390.93
Less: Depreciation	28.93	26.09	58.89	51.29
Profit before Tax & Exceptional item	293.54	205.42	407.90	339.64
Less: Exceptional item	6.05	-	6.05	-
Profit before Tax	287.49	205.42	401.85	339.64
Less: Provision for Taxation	96.02	71.16	125.05	106.05
Profit after Tax	191.47	134.26	276.80	233.59
Other Comprehensive Income	(0.18)	(1.02)	(47.25)	7.98
Share of profit transfer to minority	-	-	8.76	13.56
Net Profit (after minority interest)	191.29	133.24	220.79	228.01
Balance brought forward	296.06	240.51	470.62	369.78
Balance available for appropriation	487.35	373.75	691.41	597.79
Appropriation:				
Dividend	54.29	27.15	54.29	27.15
Tax On Dividend	11.16	5.52	11.16	5.53
Other Adjustment	0.24	(0.02)	(0.99)	(41.37)
Other Comprehensive Income	-	-	40.82	(7.46)
General Reserve	60.00	45.00	91.80	45.66
Balance Profit Carried To Balance Sheet	362.14	296.06	573.99	470.62
Earning Per Share (EPS)	21.16	14.84	28.91	24.37

Results of Operation

Standalone Reaching

- During the financial year ending on March 31, 2019 the Company achieved turnover of ₹ 1663.22 Crores as against turnover of ₹ 1305.35 Crores achieved during the previous year, which is a significant increase in turnover by 27.42 %.
- The Profit After Tax (PAT) for the financial year 2018-19 is ₹ 191.47 Crores against ₹ 134.26 Crores in the previous year 2017-18.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax stood at ₹ 334.39 Crores as against ₹ 245.74 Crores in the previous year.
- Earnings Per Share as on March 31, 2019 is ₹ 21.16 vis a vis against ₹ 14.84 as on March 31, 2018.
- The net worth of the Company has increased and stands at to ₹ 885.05 Crores in the fiscal year 2019 from ₹ 759.21 Crores at the end of fiscal year 2018.

Consolidated Reaching

- During the financial year ending on March 31, 2019 the Company achieved turnover of ₹ 2461.57 Crores as against turnover of ₹ 1951.47 Crores achieved during the previous year, which is a significant increase in turnover by 26.14 %.

- The Profit After Tax (PAT) after transferring the share of profit of Minority Interest for the financial year 2018-19 is ₹ 261.61 Crores against previous year ₹ 220.55 Crores in 2017-18.
- Profit before Interest, Depreciation, Amortization, Exceptional Items & Tax stood at ₹ 516.66 Crores as against ₹ 423.65 Crores in the previous year.
- Earnings Per Share as on March 31, 2019 is ₹ 28.91 vis a vis against ₹ 24.37 as on March 31, 2018.
- The net worth of the Company has increased and stands at to ₹ 1238.33 Crores in the fiscal year 2019 from ₹ 1083.86 Crores at the end of fiscal year 2018.

2. Transfer to Reserves

The Company has transferred ₹ 91.80 Crores to the general reserve out of the amount available for appropriations and an amount of ₹ 573.99 Crores is proposed to be retained in the statement of profit and loss.

3. Dividend

Based on the Company's performance, the Directors have recommended a payment of ₹ 7/- (Rupees seven only) per equity share of the face value of ₹ 2/- (Rupees two only) each as final dividend for the FY 2018-19, for the approval of the shareholders at the ensuing Annual General Meeting ('AGM') of the Company. The dividend paid for FY 2017-18 was ₹ 6/- (Rupees six only) per equity share of the face value of ₹ 2/- (Rupees two only).

The dividend on equity shares including dividend tax for the FY 2018-19 would aggregate to ₹ 76.36 Crores resulting in payout of 29.19 % of the unconsolidated profits of the Company.

The dividend declared and/or paid by the Company for the FY 2018-19, is in compliance with the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is set out as is also uploaded on the Company's website – https://www.solargroup.com/Uploads/Files/Investors/policies/PDD.pdf

4. Material Changes between the date of the Board Report and end of Financial Year

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

5. Deposits

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

6. Credit Ratings

Given below are the ratings given to the Company by CRISIL during the year under review:

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

The ratings reflect SIIL'S strong market position, good operating efficiencies (backed by prudent raw material procurement policies and backward integration), and strong debt protection measures. To arrive at its ratings, CRISIL has combined SIIL's financial and business profiles with those of its subsidiaries.

7. Particulars of Loan, Guarantees or Investments with Related Parties

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements forming a part of this annual report.

8. Subsidiaries and Associates

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

During the year under review:

1. Information on newly incorporated Subsidiary and acquisition during the year.

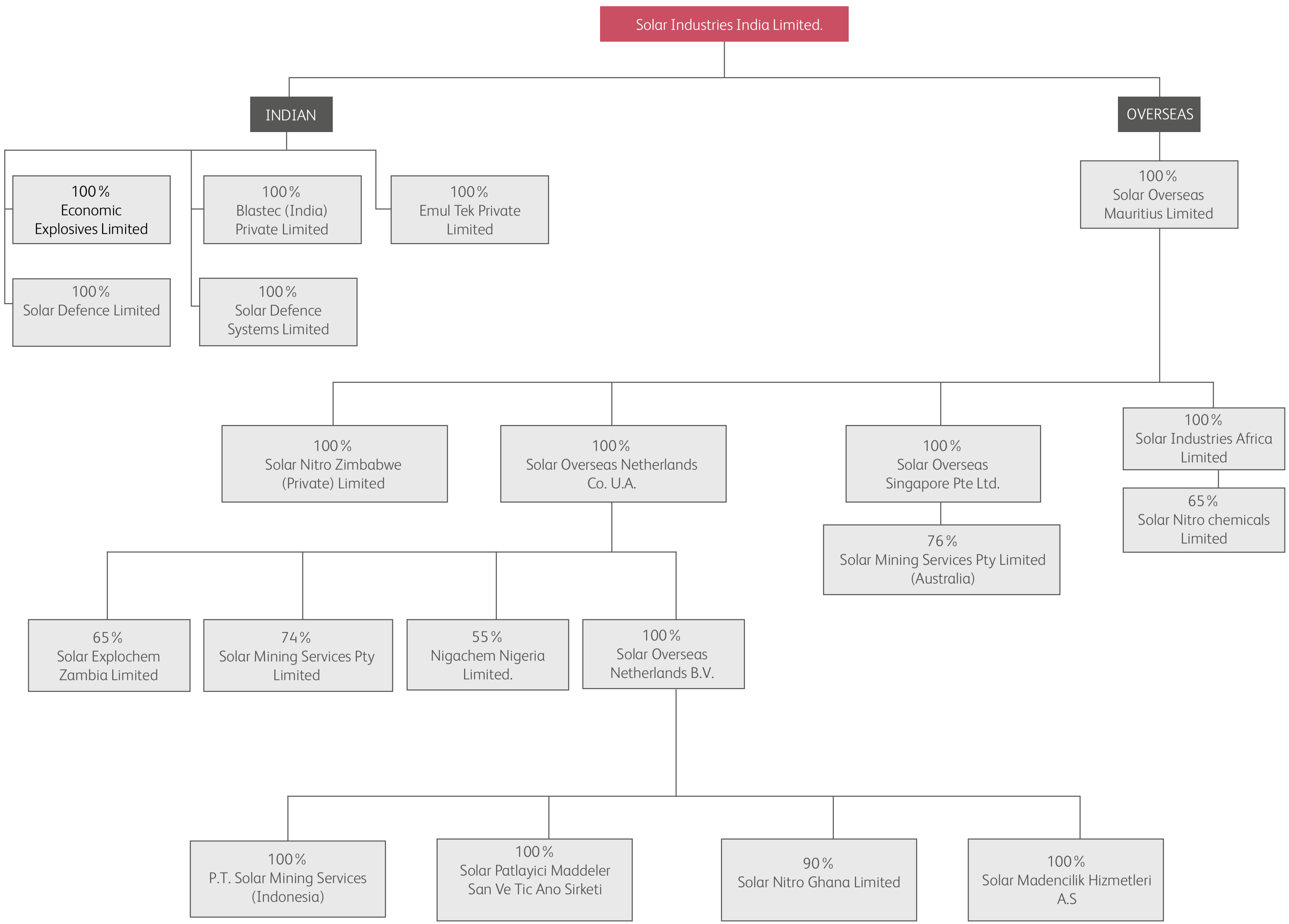
   Keeping pace with the strategy of selective internationalisation, the company has set up a step-down subsidiary company in Zimbabwe (through Solar Overseas Mauritius Limited) named Solar Nitro Zimbabwe (Private) Limited which was Incorporated on October 10, 2018.

   During the year under review the Company has acquired 49% stake of Astra Resources (Pty) Limited through its step down subsidiary Company Solar Industries Africa Limited (Mauritius).

2. Information of the Subsidiary liquidated and in the process of liquidation during the year.

   In continuation of the efforts to realign the group structure and consolidate the multi layered structure, Solar Industrias Mozambique LDA a step down subsidiary of the Company was liquidated on October 18, 2018 and Solar Explochem (Ghana) Limited a step down subsidiary of the Company is under the process of Liquidation.

Current Holding Structure of Solar Industries India Limited



9. Audited Financial Statements of the Company`s Subsidaires

The Board of Directors of your Company at its meeting held on May 09, 2019, approved the Audited Consolidated Financial Statements for the FY 2018-19 which includes financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the FY 2018-19, have been prepared in compliance with applicable Indian Accounting Standards (Ind-AS) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requirement.

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

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

10. Share Capital

The paid up Equity Share Capital as on March 31, 2019 was ₹18.09 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

11. Corporate Governance

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"). A separate section on corporate governance along with a certificate from the auditors confirming compliance is annexed and forms part of this Annual Report.

12. Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. Currently, the Company's risk management approach comprises of the following:

A. Risk Identification
B. Risk Assessment
C. Risk Treatment and Mitigation
D. Risk Control and Monitoring

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. A detailed note on the risks is included in the Management Discussion and Analysis forming part of the Annual Report and the details of Risk Management Committee and its frequency of meetings are included in the Corporate Governance Report.

13. Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provision of the Companies Act, 2013 read with the IEPF Authority (Accounting , Audit, transfer and Refund) Rules, 2016 ('the Rule'), all the unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of Seven Years. Further according to the Rules, the shares on which dividend has not been paid or claimed by the Shareholder for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividends of ₹72,053. Further, Five corresponding shares were transferred as per the requirements of IEPF rules. The details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

14. Board Diversity

Your Company has laid down well-defined criteria for the selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management. There has been no change in the policy since last fiscal.

15. Declaration by Independent Directors

The Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. Board Meetings

During the year Five Board Meetings were convened and held on May 11, 2018, July 30, 2018, October 29, 2018, January 31, 2019 and March 30, 2019. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. Board Committees & Its Meetings

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

18. Internal Financial Control and its Adequecy

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

19. Reporting of Frauds

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

20. Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e SS-1 and SS-2 relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

21. Significant and Material Order

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

22. Vigil Mechanism

The Vigil Mechanism of the Company which also incorporates a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at the link https://www.solargroup.com/Uploads/Files/Investors/policies/WBP.pdf

23. Policy on Sexual Harassment of Women at Workplace

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

24. Directors and Key Managerial Personnel

a. Director's Retiring by Rotation

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

This year Shri Kailashchandra Nuwal (DIN: 00374378) shall retire by rotation and being eligible offer himself for re-appointment at this Annual General Meeting.

The Boards of Directors recommends his re-appointment at Item No. 3 of the Notice Calling 24th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Kailashchandra Nuwal (DIN: 00374378) 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 24th Annual General Meeting.

b. Re-appointment of the following Independent Directors, not liable to retire by rotation, (whose tenure came to an end on March 31, 2019) for a second term pursuant to applicable provisions of the Act read with the Rules issued thereunder and Listing Regulations:

- Shri Dilip Patel (DIN: 00013150) re-appointed upto March 31, 2024;
- Shri Amrendra Verma (DIN: 00236108) re-appointed upto March 31, 2024;
- Shri Ajai Nigam (DIN: 02820173) re-appointed upto March 31, 2024;
- Shri Anant Sagar Awasthi (DIN: 00228429) re-appointed upto March 31, 2020;

The aforementioned appointments were based on outcome of performance evaluation exercise, experience and contributions made by Shri Dilip Patel, Shri Amrendra Verma, Shri Ajai Nigam and Shri Anant Sagar Awasthi in their previous tenure.

The Board of Directors recommends their re-appointment at Item No. 4,5,6 & 7 of the Notice Calling 24th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Dilip Patel, Shri Amrendra Verma, Shri Ajai Nigam and Shri Anant Sagar Awasthi 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 24th Annual General Meeting.

c. **Key Managerial Personnel**

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Key Managerial Personnel of the Company as on March 31, 2019 are:

- Shri Satyanarayan Nuwal – Chairman and Executive Director,
- Shri Kailashchandra Nuwal – Vice Chairman and Executive Director,
- Shri Manish Nuwal – Managing Director and Chief Executive Officer,
- Shri Anil Kumar Jain – Executive Director,
- Shri Suresh Menon – Executive Director,
- Shri Nilesh Panpaliya – Chief Financial Officer and
- Smt. Khushboo Pasari – Company Secretary & Compliance Officer.

25. Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and individual directors as well as the evaluation of the working of its Board Committees. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

26. Nomination & Remuneration Policy

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

27. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2018-19 is given in **"Annexure A"** in the prescribed Form No. MGT-9, which is a part of this report. The same is available on the website of the Company at www.solargroup.com

28. Particulars of Employees

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 is as follows:**

Name of Directors	Designation	Ratio of Remuneration of Director to the Median remuneration
Shri Satyanarayan Nuwal	Chairman and Executive Director	107.84
Shri Kailashchandra Nuwal	Vice Chairman and Executive Director	107.84
Shri Manish Nuwal	Managing Director & CEO	107.84
Shri Anil Kumar Jain	Executive Director	16.98
Shri Suresh Menon*	Executive Director	13.66
Shri Roomie Dara Vakil**	Executive Director	1.33
Shri Anant Sagar Awasthi	Non-Executive Independent Director	0.88
Shri Dilip Patel	Non-Executive Independent Director	1.41
Shri Amrendra Verma	Non-Executive Independent Director	1.12
Shri Ajai Nigam	Non-Executive Independent Director	1.41
Smt. Madhu Vij	Non-Executive Independent Director	1.08

Note:

*Appointed as an Executive Director of the Company w.e.f May 11, 2018.

**Resigned from the Board of the Company w.e.f. May 11, 2018.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2018-19 as follows:

Name of Directors	Designation	% increase in remuneration in the financial year 2018-19
Shri Satyanarayan Nuwal	Chairman and Executive Director	Nil
Shri Kailashchandra Nuwal	Vice Chairman and Executive Director	Nil
Shri Manish Nuwal	Managing Director & CEO	Nil
Shri Anil Kumar Jain	Executive Director	27.27
Shri Suresh Menon*	Executive Director	Nil
Shri Roomie Dara Vakil**	Executive Director	13.42
Shri Anant Sagar Awasthi	Non-Executive Independent Director	Nil
Shri Dilip Patel	Non-Executive Independent Director	33.33
Shri Amrendra Verma	Non-Executive Independent Director	50
Shri Ajai Nigam	Non-Executive Independent Director	50
Smt. Madhu Vij	Non-Executive Independent Director	50

Name of CFO and Company Secretary	Designation	% increase in remuneration in the financial year 2018-19
Shri Nilesh Panpaliya	Chief Financial Officer	10.34
Smt. Khushboo Pasari	Company Secretary and Compliance Officer	22.22

c. The percentage increase in the median remuneration of employees in the financial year: 11.6%

d. The number of permanent employees on the rolls of Company: 2080

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

The average annual increase of employee other than Key Managerial Personnel was 9%. The average annual increase of Key Managerial Personnel was 16.84%. The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

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

29. Related Party Transactions

All related party transactions that were entered into during the financial year 2018-19 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Company has formulated a Related Party Transactions policy indicating the Standard Operating Procedures for purpose of identification and monitoring of such transactions.

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

None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **"Annexure B"** in form AOC-2 and the same forms part of the Directors Report.

30. Human Resources and Industrial Relations

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

31. Material Subsidiary

Economic Explosives Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from April 1, 2019 in line with the amendments made to the Listing Regulations. The Policy has been uploaded on the Company's website at https://reports.solargroup.com/PFDMS-1.pdf

32. Auditors

Statutory Auditors

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

M/s S R B C & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) and M/s Akshay Rathi & Associates, Chartered Accountants (Firm Registration No. 139703W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Auditors' Report

The Auditor's Report for the year ended March 31, 2019 on the financial statements of the Company is a part of this Annual Report. The Auditors Report for the financial year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit of the Cost and related records of the Company for the year 2018-19 was undertaken by Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Nagpur the Cost Auditor of the Company.

The Board of Directors of the Company has appointed Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, to conduct the Cost Audit as per Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 for the FY 2019-2020.

Internal Auditor

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

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

The Board of Directors of the Company has appointed M/s Ekbote Deshmukh & Co. Chartered Accountants and M/s D L & Associates Chartered Accountants, to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2019-2020.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year 2018-19 was undertaken by Shri Anant B. Khamankar, Practicing Company Secretary the Secretarial Auditor of the Company.

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

The Board of Directors of the Company appointed Shri Anant B. Khamankar, Practicing Company Secretary, to conduct the Secretarial Audit as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribed under Section 204 of the Companies Act, 2013 for the financial year 2019-2020.

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

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

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

33. Corporate Social Responsibility

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

- Health & Hygine
- Education
- Environment sustainability
- Rural Development
- Public welfare

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

The primary beneficiaries of CSR shall be the people in the areas within and around the Company's Plant Locations.

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

34. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

35. Statement of Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation of the Consolidated Financial Statements and related information that are presented in this report. The Board of Directors of your Company at its meeting held on May 09, 2019 has approved the Audited Consolidated Financial Statements for the financial year 2018-19 and its subsidiaries in accordance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard (AS–21) and other Accounting Standards issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements of your Company for the financial year 2018-19, are prepared in compliance with applicable Accounting Standards based on management's estimates, assumptions and judgments where applicable as well as Listing Regulations as prescribed by the Securities and Exchange Board of India.

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

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

36. Management Discussion and Analysis Report

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

37. Business Responsibility Report

The SEBI Listing Regulations mandate the inclusion of the BRR as part of the Annual report for the top 500 listed entities based on market capitalization. In compliance of Listing Regulations, we are pleased to present the Business Responsibility Report into our Annual Report.

38. Director's Responsibility Statement

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

i. In the preparation of the annual accounts of the Company for the year ended March 31, 2019, 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, 2019 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, 2019 have been prepared on a going concern basis.

v. Internal Financial controls were in place and that the financial controls were adequate and were operating effectively.

vi. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

39. CEO/CFO Certification

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

40. Appreciation & Acknowledgement

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

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

For and on behalf of the Board

Place : Nagpur
Date : May 09, 2019

(Satyanarayan Nuwal)
Chairman

Annexure 'A'

Extract of Annual Return

As on the financial year ended March 31, 2019

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

FORM NO. MGT – 9

1. Registration and other details

CIN	L74999MH1995PLC085878
Registration Date	February 24, 1995
Name of the Company	Solar Industries India Limited
Category	Public Company
Sub-Category of the Company	i. Company having Share Capital
	ii. Limited by shares
Address of the Registered Office and contact details:	
Address	"Solar" House, 14, Kachimet, Amravati Road,
Town/City	Nagpur
State	Maharashtra
Pin Code	440 023
Country Name	India
Telephone with STD Area Code Number	(0712) 6634555 / 6634550
Fax Number	(0712) 2500200 / 2560202
E-mail Address	investor.relations@solargroup.com
Website	www.solargroup.com
Whether shares listed on recognized Stock Exchange(s)	Yes
Details of Stock Exchanges where shares are listed:	
Sr. No. Stock Exchange(s)	**Stock Code(s)**
1. BSE Limited (BSE)	532725
2. The National Stock Exchange of India (NSE)	SOLARINDS EQ
Name, Address and contact details of Registrar and Transfer Agent:	
RTA	M/s Link Intime India Pvt Ltd.
Address	C-101, 247 Park, LBS Marg, Vikhroli (West)
Town/City	Mumbai
State	Maharashtra
Pin Code	400 083
Telephone with STD Area Code Number	(022) 49186000
E-mail Address	rnt.helpdesk@linkintime.co.in

2. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacturing of Industrial Explosives and Initiating Systems	20292	93%

3. Particulars of Subsidiary and Associate Companies

Sr. No.	Name and address of the Companies	CIN/GLN	Subsidiary/ Associate	% of Shares held	Applicable Sections of Companies Act, 2013
1.	Economic Explosives Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India.	U24292MH1995PLC091808	Subsidiary	100%	2(87)
2.	Solar Defence Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India.	U29220MH2016PLC274147	Subsidiary	100%	2(87)
3.	Solar Defence Systems Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India.	U29253MH2016PLC274677	Subsidiary	100%	2(87)
4.	Emul Tek Private Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India.	U24292MH2000PTC274027	Subsidiary	100%	2(87)
5.	Blastec (India) Private Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India.	U74999MH2000PTC274886	Subsidiary	100%	2(87)
6.	Solar Overseas Mauritius Limited Level 3, GFin Tower, 42, Hotel Street, Cybercity Ebene 72201, Mauritius	C090063	Subsidiary	100%	2(87)
7.	SMS Bhatgaon Mines Extension Private Limited 267, FadnavisBhavan, Near Trangular Park, Dharampeth, Nagpur- 440010, Maharashtra, India	U13209MH2008PTC186729	Associate	49%	2(6)
8.	Solar Bhatgaon Extension Mines Private Limited 11, Zade Layout, Bharat Nagar, Nagpur- 440033, Maharashtra, India	U13200MH2008PTC186685	Associate	49%	2(6)

4. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category wise shareholding

Category of Shareholders	No. of Shares hold at the beginning of the year				No. of Shares hold at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
(a) Individuals/Hindu Undivided Family	66191271	-	66191271	73.1476	66191271	-	66191271	73.1476	0.0000
(b) Central Government/ State Government(s)	0	-	0	0.0000	0	-	0	0.0000	-

Category of Shareholders	No. of Shares hold at the beginning of the year				No. of Shares hold at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Bodies Corporate	0		0	0.0000	0		0	0.0000	-
(d) Financial Institutions / Banks	0	-	0	0.0000	0	-	0	0.0000	-
(e) Any Other (specify)	0	-	0	0.0000	0	-	0	0.0000	-
Sub Total (A)(1)	**66191271**	**-**	**66191271**	**73.1476**	**66191271**	**-**	**66191271**	**73.1476**	**0.0000**
2. Foreign									
(a) Individuals (Non - Resident Individuals/ Foreign Individuals)	0		0	0.0000	0		0	0.0000	-
(b) Bodies Corporate	0	-	0	0.0000	0	-	0	0.0000	-
(c) Institutions	0	-	0	0.0000	0	-	0	0.0000	-
(d) Qualified Foreign Investors	0	-	0	0.0000	0	-	0	0.0000	-
(e) Any Other (specify)	0	-	0	0.0000	0	-	0	0.0000	-
Sub Total (A)(2)	**0**	**-**	**0**	**0.0000**	**0**	**-**	**0**	**0.0000**	**0.0000**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**66191271**	**-**	**66191271**	**73.1476**	**66191271**	**-**	**66191271**	**73.1476**	**0.0000**
B. Public shareholding									
1. Institutions									
(a) Mutual Funds/UTI	16290759	-	16290759	18.0028	16633721	-	16633721	18.3818	0.3790
(b) Financial Institutions/ Banks	9478	-	9478	0.0105	4786	-	4786	0.0053	(0.0052)
(c) Central Government/ State Government(s)	0	-	0	0.0000	0	-	0	0.0000	-
(d) Venture Capital Funds	0	-	0	0.0000	0	-	0	0.0000	0.0000
(e) Insurance Companies	1849149	-	1849149	2.0435	1700700	-	1700700	1.8794	(0.1641)
(f) Foreign Institutional Investor	0	-	0	-	0	-	0	0.0000	-
(g) Foreign Portfolio Investors	1371777	-	1371777	1.5159	1257098	-	1257098	1.3892	(0.1267)
(h) Foreign Venture Capital Investors	0	-	0	0.0000	0	-	0	0.0000	-
(i) Qualified Foreign Investors	0	-	0	0.0000	0	-	0	0.0000	-
(j) Any Other (specify)	0	-	0	0.0000	0	-	0	0.0000	0.0000
Sub Total (B) (1)	**19521163**	**-**	**19521163**	**21.5727**	**19596305**	**-**	**19596305**	**21.6558**	**(0.0831)**
2. Non-institutions									
(a) Bodies Corporate	677755	-	677755	0.7490	651418	-	651418	0.7199	(0.0291)
(b) Individuals									
(i) Individuals - shareholders holding nominal share capital up to ₹ 2 Lakh	3283663	55	3283718	3.6288	3143314	55	3143369	3.4737	(0.1551)

Category of Shareholders	No. of Shares hold at the beginning of the year				No. of Shares hold at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	323240	-	323240	0.3572	414907	-	414907	0.4585	0.1013
(c) Qualified Foreign Investors	0	-	0	0.0000	0	-	0	0.0000	-
(d) Any Other	0		0	0.0000	0		0	0.0000	-
(i) Non Resident Indians (Repat)	38203	-	38203	0.0422	65796	-	65796	0.0727	0.0305
(ii) Non Resident Indians (Non Repat)	72970	-	72970	0.0806	30623	-	30623	0.0338	(0.0468)
(iii)Clearing Member	42487	-	42487	0.0470	29121	-	29121	0.0322	(0.0148)
(iv)Trusts	2250	-	2250	0.0025	0.00	-	0	0	(0.0025)
(v) HUF	335928		335928	0.3712	318913		318913	0.3524	(0.0188)
(vi)IEPF	1070	-	1070	0.0012	1075	-	1075	0.0012	0.0000
(vii)NBFCs Registered with RBI	0	-	0	0.0000	47257		47257	0.0522	0.0522
Sub Total (B)(2)	**4777566**	**55**	**4777621**	**5.2797**	**4702424**	**-**	**4702479**	**5.1966**	**(0.0831)**
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	**24298729**	**55**	**24298784**	**26.8524**	**24298729**	**-**	**24298784**	**26.8524**	**0.0000**
Total (A)+(B)	**90490000**	**55**	**90490055**	**100.00**	**90490000**	**55**	**90490055**	**100.00**	**0.0000**
C. Shares held by custodians and against which Depository Receipts have been issued									
Promoter and Promoter group	0	-	0	0.0000	0	-	0	0.0000	-
Public	0	0	0	0.0000	0	0	0	0.0000	-
Sub Total (C)	**0**	**-**	**0**	**0.0000**	**0**	**-**	**0**	**0.0000**	**-**
GRAND TOTAL (A)+(B)+(C)	**90490000**	**55**	**90490055**	**100.00**	**90490000**	**55**	**90490055**	**100.00**	**0.0000**

ii) Shareholding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge/ encumbered to total sharess	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered to total shares	
1.	Shri Satyanarayan Nandlal Nuwal	20343695	22.4817	0.0000	13239254	14.6306	0.0000	(7.8511)
2.	Shri Kailashchandra Nandlalji Nuwal	17739095	19.6034	0.0000	20882963	23.0776	0.0000	3.4742
3.	Smt. Indira Kailashchandra Nuwal	5568230	6.1534	0.0000	5568230	6.1534	0.0000	0.0000
4.	Smt. Leeladevi Satyanarayan Nuwal	5075940	5.6094	0.0000	-	0.0000	0.0000	(5.6094)
5.	Smt. Sohandevi Nandlal Nuwal	4649690	5.1383	0.0000	-	0.0000	0.0000	(5.1383)
6.	Shri Manish Satyanarayan Nuwal	4464301	4.9335	0.0000	25232069	27.8838	0.0000	22.9503

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered to total shares	
7.	Shri Kailashchandra Nuwal HUF	2505625	2.7690	0.0000	-	0.0000	0.0000	(2.7690)
8.	Shri Satyanarayan Nuwal HUF	2469690	2.7292	0.0000	-	0.0000	0.0000	(2.7292)
9.	Shri Nandlalji Bodulalji Nuwal HUF	2106250	2.3276	0.0000	-	0.0000	0.0000	(2.3276)
10.	Smt. Seema Manish Nuwal	1243440	1.3741	0.0000	1243440	1.3741	0.0000	0.0000
11.	Shri Rahul Kailashchandra Nuwal	25315	0.0280	0.0000	25315	0.0280	0.0000	0.0000
	Total	**66191271**	**73.1476**	**-**	**66191271**	**73.1476**	**0.0000**	**-**

(iii) Change in Promoters' Shareholding

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year – 2018		Reason	Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company		No. of Shares held	% of total Shares of the Company
1.	**Shri Satyanarayan Nuwal**					
	At the beginning of the year	**20343695**	**22.4817**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	07/01/2019	(7104441)	(7.5811)	Inter-Se-Transfer		
	At the end of the year				**13239254**	**14.6306**
2.	**Shri Kailashchandra Nuwal**					
	At the beginning of the year	**17739095**	**19.6034**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	07/01/2019	638243	0.7053	Inter-Se-Transfer		
	08/01/2019	2505625	2.7690			
	At the end of the year				**20882963**	**23.0777**
3.	**Smt. Sohandevi Nandlal Nuwal**					
	At the beginning of the year	**4649690**	**5.1383**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	19/12/2018	(4649690)	(5.1383)	Inter-Se-Transfer		
	At the end of the year				**-**	**-**
4.	**Smt Leeladevi Satyanarayan Nuwal**					
	At the beginning of the year	**5075940**	**5.6094**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	19/12/2018	(5075940)	(5.6094)	Inter-Se-Transfer		
	At the end of the year				**-**	**-**
5.	**Shri Manish Nuwal**					
	At the beginning of the year	**4464301**	**4.9335**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	19/12/2018	9725630	10.7477			
	31/12/2018	2469690	2.7292	Inter-Se-Transfer		
	07/01/2019	8572448	9.4734			
	At the end of the year				**25232069**	**27.8838**
6.	**Satyanarayan Nandlal Nuwal HUF**					
	At the beginning of the year	**2469690**	**2.7292**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	31/12/2018	(2469690)	(2.7292)	Inter-Se-Transfer		
	At the end of the year				**-**	**-**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year – 2018		Reason	Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company		No. of Shares held	% of total Shares of the Company
7.	Nanadlalji Bodulalji Nuwal HUF					
	At the beginning of the year	**2106250**	**2.3276**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	07/01/2019	(2106250)	(2.3276)	Inter-Se-Transfer		
	At the end of the year				-	-
8.	Kailashchandra Nuwal HUF					
	At the beginning of the year	**2505625**	**2.7690**			
	Date wise Increase/(Decrease) in Shareholding during the year					
	08/01/2019	(2505625)	(2.7690)	Inter-Se-Transfer		
	At the end of the year				-	-

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

Sr No.	Name of Shareholder	Shareholding at the beginning of the year - 2018		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company
1.	HDFC Trustee Company Limited - HDFC Prudence Fund				
	At the beginning of the year	**6622448**	**7.3184**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	20/04/2018	(4300)	(0.0048)	6618148	7.3137
	27/04/2018	(28320)	(0.0313)	6589828	7.2824
	11/05/2018	(786)	(0.0009)	6589042	7.2815
	25/05/2018	(118318)	(0.1308)	6470724	7.1508
	08/06/2018	(30000)	(0.0332)	6440724	7.1176
	24/08/2018	(1910)	(0.0021)	6438814	7.1155
	31/08/2018	(21400)	(0.0236)	6417414	7.0918
	07/09/2018	(2985)	(0.0033)	6414429	7.0885
	19/10/2018	(49290)	(0.0545)	6365139	7.0341
	30/11/2018	(25000)	(0.0276)	6340139	7.0064
	At the end of the year			6340139	7.0064
2.	SBI Equity Hybrid Fund				
	At the beginning of the year	**4221988**	**4.6657**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	07/12/2018	(39200)	(0.0433)	4182788	4.6224
	14/12/2018	40000	0.0442	4222788	4.6666
	At the end of the year			4222788	4.6666
3.	Kotak Standard Multicap Fund				
	At the beginning of the year	**2438019**	**2.6942**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	20/04/2018	24810	0.0274	2462829	2.7217
	27/04/2018	20000	0.0221	2482829	2.7438
	11/05/2018	7214	0.0080	2490043	2.7517
	18/05/2018	96	0.0001	2490139	2.7518
	08/06/2018	30242	0.0334	2520381	2.7853
	06/07/2018	1121	0.0012	2521502	2.7865
	03/08/2018	2052	0.0023	2523554	2.7888
	31/08/2018	10000	0.0111	2533554	2.7998
	07/09/2018	20590	0.0228	2554144	2.8226
	14/09/2018	11045	0.0122	2565189	2.8348
	21/09/2018	20000	0.0221	2585189	2.8569
	29/09/2018	17923	0.0198	2603112	2.8767
	05/10/2018	9662	0.0107	2612774	2.8874

Sr No.	Name of Shareholder	Shareholding at the beginning of the year - 2018		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company
	19/10/2018	48851	0.0540	2661625	2.9413
	26/10/2018	28964	0.0320	2690589	2.9734
	02/11/2018	19429	0.0215	2710018	2.9948
	16/11/2018	20	0.0000	2710038	2.9948
	23/11/2018	4596	0.0051	2714634	2.9999
	30/11/2018	5811	0.0064	2720445	3.0063
	07/12/2018	2704	0.0030	2723149	3.0093
	14/12/2018	5796	0.0064	2728945	3.0157
	21/12/2018	1676	0.0019	2730621	3.0176
	28/12/2018	12764	0.0141	2743385	3.0317
	31/12/2018	2928	0.0032	2746313	3.0349
	04/01/2019	4664	0.0052	2750977	3.0401
	11/01/2019	25772	0.0285	2776749	3.0686
	18/01/2019	7006	0.0077	2783755	3.0763
	25/01/2019	22003	0.0243	2805758	3.1006
	01/02/2019	12487	0.0138	2818245	3.1144
	08/02/2019	719	0.0008	2818964	3.1152
	15/02/2019	7000	0.0077	2825964	3.1230
	22/02/2019	8000	0.0088	2833964	3.1318
	01/03/2019	13588	0.0150	2847552	3.1468
	08/03/2019	186	0.0002	2847738	3.1470
	15/03/2019	3814	0.0042	2851552	3.1512
	22/03/2019	70754	0.0782	2922306	3.2294
	29/03/2019	38090	0.0421	2960396	3.2715
	At the end of the year			**2960396**	**3.2715**
4.	**ICICI Prudential Life Insurance Company Limited**				
	At the beginning of the year	**1849149**	**2.0435**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	06/04/2018	68429	0.0756	1917578	2.1191
	13/04/2018	1775	0.0020	1919353	2.1211
	20/04/2018	(23619)	(0.0261)	1895734	2.0950
	27/04/2018	(3566)	(0.0039)	1892168	2.0910
	04/05/2018	(7270)	(0.0080)	1884898	2.0830
	11/05/2018	(5834)	(0.0064)	1879064	2.0765
	18/05/2018	3302	0.0036	1882366	2.0802
	25/05/2018	13925	0.0154	1896291	2.0956
	01/06/2018	104878	0.1159	2001169	2.2115
	08/06/2018	(22300)	(0.0246)	1978869	2.1868
	15/06/2018	8795	0.0097	1987664	2.1966
	22/06/2018	(29524)	(0.0326)	1958140	2.1639
	30/06/2018	38448	0.0425	1996588	2.2064
	06/07/2018	14681	0.0162	2011269	2.2226
	13/07/2018	5475	0.0061	2016744	2.2287
	20/07/2018	4839	0.0053	2021583	2.2340
	27/07/2018	1329	0.0015	2022912	2.2355
	03/08/2018	4487	0.0050	2027399	2.2405
	10/08/2018	(3485)	(0.0039)	2023914	2.2366
	24/08/2018	1866	0.0021	2025780	2.2387
	31/08/2018	4949	0.0055	2030729	2.2441
	29/09/2018	400	0.0004	2031129	2.2446
	05/10/2018	3285	0.0036	2034414	2.2482
	26/10/2018	(2187)	(0.0024)	2032227	2.2458
	02/11/2018	(553)	(0.0006)	2031674	2.2452
	09/11/2018	(1798)	(0.0020)	2029876	2.2432
	16/11/2018	(10479)	(0.0115)	2019397	2.2316

Sr No.	Name of Shareholder	Shareholding at the beginning of the year - 2018		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company
	23/11/2018	(10441)	(0.0116)	2008956	2.2201
	30/11/2018	(68135)	(0.0753)	1940821	2.1448
	07/12/2018	(15132)	(0.0167)	1925689	2.1281
	14/12/2018	(13134)	(0.0145)	1912555	2.1136
	21/12/2018	(1751)	(0.0019)	1910804	2.1116
	28/12/2018	(4496)	(0.0050)	1906308	2.1066
	31/12/2018	767	0.0008	1907075	2.1075
	04/01/2019	(1466)	(0.0016)	1905609	2.1059
	11/01/2019	(6708)	(0.0074)	1898901	2.0985
	18/01/2019	(3702)	(0.0041)	1895199	2.0944
	25/01/2019	(11297)	(0.0125)	1883902	2.0819
	01/02/2019	(3479)	(0.0038)	1880423	2.0780
	08/02/2019	(4011)	(0.0044)	1876412	2.0736
	15/02/2019	(8)	(0.0000)	1876404	2.0736
	22/02/2019	2366	0.0026	1878770	2.0762
	01/03/2019	(148)	(0.0002)	1878622	2.0761
	08/03/2019	(58284)	(0.0644)	1820338	2.0116
	15/03/2019	(40532)	(0.0448)	1779806	1.9669
	22/03/2019	(45714)	(0.0505)	1734092	1.9163
	29/03/2019	(33392)	(0.0369)	1700700	1.8794
	At the end of the year			1700700	1.8794
5.	DSP Midcap Fund				
	At the beginning of the year	**1660422**	**1.8349**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	25 /05/2018	75000	0.0828	1735422	1.9178
	22 /06/2018	106740	0.1180	1842162	2.0358
	03/08/2018	(75000)	(0.0829)	1767162	1.9529
	07/09/2018	(15000)	(0.0166)	1752162	1.9363
	14/09/2018	(16920)	(0.0187)	1735242	1.9176
	21/09/2018	(32704)	(0.0361)	1702538	1.8815
	29/09/2018	(47960)	(0.0530)	1654578	1.8285
	14/12/2018	42	0.0000	1654620	1.8285
	At the end of the year			1654620	1.8285
6.	India Midcap (Mauritius) Ltd.				
	At the beginning of the year	**726431**	**0.8028**	-	-
	Date wise Increase/(Decrease) in Shareholding during the year				
	At the end of the year			726431	0.8028
7.	Canara Robeco Mutual Fund A/C Canara Robeco emerging equities sun life midcap fund				
	At the beginning of the year	**1660422**	**1.8349**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	08/06/2018	(5000)	(0.0055)	436398	0.4823
	03/08/2018	75000	0.0829	511398	0.5651
	01/02/2019	(657)	(0.0007)	510741	0.5644
	22/02/2019	(5553)	(0.0061)	505188	0.5583

Sr No.	Name of Shareholder	Shareholding at the beginning of the year - 2018		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares held	% of total Shares of the Company	No. of Shares held	% of total Shares of the Company
	01/03/2019	(3290)	(0.0036)	501898	0.5546
	08/03/2019	40000	0.0442	541898	0.5988
	15/03/2019	15000	0.0166	556898	0.6154
	22/03/2019	35000	0.0387	591898	0.6541
	29/03/2019	1936	0.0021	593834	0.6562
	At the end of the year			593834	0.6562
8.	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Midcap Fund				
	At the beginning of the year	**501000**	**0.5537**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	20/04/2018	(20000)	(0.0221)	481000	0.5316
	18/05/2018	(2200)	(0.0024)	478800	0.5291
	08/06/2018	(68800)	(0.0760)	410000	0.4531
	14/12/2018	2080	0.0023	412080	0.4554
	21/12/2018	3415	0.0038	415495	0.4592
	28/12/2018	3330	0.0037	418825	0.4628
	04/12/2019	5000	0.0055	423825	0.4684
	22/03/2019	(23825)	(0.0263)	400000	0.4420
	At the end of the year			400000	0.4420
9.	VICCO Products Bombay Pvt Ltd				
	At the beginning of the year	**265035**	**0.2929**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	25/05/ 2018	3722	0.0041	268757	0.2970
	01/06/2018	22848	0.0252	291605	0.3223
	08/06/2018	11054	0.0122	302659	0.3345
	15/06/2018	40634	0.0449	343293	0.3794
	06/07/2018	3894	0.0043	347187	0.3837
	20/07/2018	2813	0.0031	350000	0.3868
	27/07/2018	9638	0.0107	359638	0.3974
	03/08/2018	6830	0.0075	366468	0.4050
	21/09/2018	2539	0.0028	369007	0.4078
	29/09/2018	8871	0.0098	377878	0.4176
	05/10/2018	4242	0.0047	382120	0.4223
	12/10/2018	1410	0.0016	383530	0.4238
	19/10/2018	4	0.0000	383534	0.4238
	26/10/2018	200	0.0002	383734	0.4241
	At the end of the year			383734	0.4241
10.	TATA mid cap growth fund				
	At the beginning of the year	**218500**	**0.2415**		
	Date wise Increase/(Decrease) in Shareholding during the year				
	24/08/2018	(3311)	(0.0037)	215189	0.2378
	At the end of the year			215189	0.2378

* Note: Shareholding is consolidated based on PAN of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors	Date	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year March 31, 2019	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri Satyanarayan Nuwal						
	At the beginning of the Year			**20343695**	**22.4817**	**-**	**-**
	Date wise Increase/(Decrease) in shareholding during the year	07/01/2019	Inter-Se-Transfer	(7104441)	(7.8511)	-	-
	At the end of the year			-	-	13239254	14.6306
2.	Shri Kailashchandra Nuwal						
	At the beginning of the year			**17739095**	**19.6034**	**-**	**-**
	Date wise Increase/(Decrease) in shareholding during the year	07/01/2019	Inter-Se-Transfer	638243	0.7053	-	-
		08/01/2019		2505625	2.7690	-	-
	At the end of the year			-	-	20882963	23.0776
3.	Shri Manish Nuwal						
	At the beginning of the year			**4464301**	**4.9335**	**-**	**-**
	Date wise Increase / (Decrease) in shareholding during the year	19/12/2018	Inter-Se-Transfer	9725630	10.7477	-	-
		31/12/2018		2469690	2.7292	-	-
		07/01/2019		8572448	9.4734	-	-
	At the end of the year			-	-	25232069	27.8838
4.	Shri Anil Kumar Jain						
	At the beginning of the year			-	-	-	-
	Date wise Increase / (Decrease) in shareholding during the year	11/01/2019	Market Purchase	705	0.0007	-	-
	At the end of the year			-	-	705	0.0007
5.	Shri Suresh Menon	-	-	-	-	-	-

Sr. No.	Name of Key Managerial Personnel other than Directors	Date	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year March 31, 2019	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri Nilesh Panpaliya						
	At the beginning of the Year			**25000**	**0.0276**	**-**	**-**
	Date wise Increase/(Decrease) in shareholding during the year	19/03/2019	Market Purchase	200	0.0000	-	-
	At the end of the year			-	-	25200	0.0276
2.	Smt. Khushboo Pasari						
	At the beginning of the year			**3311**	**0.0036**	**-**	**-**
	Date wise Increase/(Decrease) in shareholding during the year	-	-	-	-	-	-
	At the end of the year			-	-	3311	0.0036

5. Indebtedness

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

(₹ in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	152.1	-	-	152.1
ii. Interest due but not paid				
iii. Interest accrued but not due	0.43	-	-	0.43
Total (i+ii+iii)	**152.53**	**-**	**-**	**152.53**
Change in Indebtedness during the financial year				
Addition	18.9	-	-	18.9
Reduction	0	-	-	0
Net Change	**18.9**	**-**	**-**	**18.9**
Indebtedness at the end of the financial year				
i. Principal Amount	171.31	-	-	171.31
ii. Interest due but not paid		-	-	
iii. Interest accrued but not due	0.12	-	-	0.12
Total (i+ii+iii)	**171.43**	**-**	**-**	**171.43**

6. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Whole-time Directors:

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Shri Satyanarayan Nuwal	Shri Kailashchandra Nuwal	Shri Manish Nuwal	Shri Anil Kumar Jain	*Shri Suresh Menon	**Shri Roomie Dara Vakil	Total amount
1.	Gross salary							
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.20	1.20	1.20	0.42	0.35	0.03	4.40
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-	-
	- as % of profit	1.50	1.50	1.50	-	-	-	4.50
	- Others, specify…	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-
	Total (A)	**2.70**	**2.70**	**2.70**	**0.42**	**0.35**	**0.03**	**8.90**
Ceiling as per the Act is ₹ 44.36 Crores (Being 10% of the Net Profit as per Section 198 of the Companies Act, 2013).								

Note:

* Appointed as an Executive Director on the Board of the Company w.e.f. May 11, 2018.

** Resigned from the Board of the Company w.e.f. May 11, 2018.

B. Sitting fees to Non-Executive Independent Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Non-Executive Independent Directors					
		Shri Anant Sagar Awashti	Shri Dilip Patel	Shri Amrendra Verma	Shri Ajai Nigam	Smt. Madhu Vij	Total amount
1.	Fee for attending Board / Committee Meetings	0.02	0.04	0.03	0.03	0.03	0.15
2.	Commission	-	-	-	-	-	-
3.	Others, Please specify	-	-	-	-	-	-
	Total (B)	**0.02**	**0.04**	**0.03**	**0.03**	**0.03**	**0.15**
Ceiling as per the Act is ₹ 4.44 Crores (Being 1 % of the Net Profit as per Section 198 of the Companies Act, 2013.)							

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

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total amount
		Shri Nilesh Panpaliya	Smt. Khushboo Pasari	
1.	Gross salary			
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.32	0.11	0.43
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total (C)	**0.32**	**0.11**	**0.43**

7. Penalties / Punishment/ Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended on March 31, 2019.

For and on behalf of the Board

Satyanarayan Nuwal
Chairman
DIN: 00713547

Place : Nagpur
Date : May 09, 2019

Annexure 'B'

Form No. AOC-2

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

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

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

Solar Industries India Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2018-19. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts / arrangements/transactions:

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

(e) Justification for entering into such contracts or arrangements or transactions:

(f) Date(s) of approval by the Board:

(g) Amount paid as advances, if any:

(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:

b. Nature of contracts / arrangements / transactions:

c. Duration of the contracts / arrangements / transactions:

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

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

f. Amount paid as advances, if any: None

Not Applicable

Note:(1) 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.

(2) All related party transactions are in ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

For and on behalf of the Board

Place : Nagpur
Date : May 09, 2019

(Satyanarayan Nuwal)
Chairman

Annexure 'C'

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2019.

(Pursuant to Section 204(1) of the companies act, 2013 & Rule 9 of the companies appointment and remuneration of managerial personnel rules, 2014)

To,
The Members,
Solar Industries India Limited

"Solar" House,
14 Kachimet,
Amravati Road
Nagpur - 440023

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

Other Applicable Laws:

i. The Indian Boilers Act, 1923

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

iii. The Explosives Act, 1884

iv. The Environment (Protection) Act, 1986

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

vi. The Legal Metrology Act, 1999

vii. The Public Liability Insurance Act, 1991

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

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

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

We further report that:

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

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

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

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

We further report that during the audit period:

1. Mr. Dilip Patel (DIN: 00013150), Non Executive Independent Director of the Company had incurred disqualification pursuant to Section 164(2) of the Companies Act, 2013 with respect to the Company named Incube Advisors Private Limited in which he is a Director. After the Ministry of Corporate Affairs (MCA) introduced Condonation of Delay Scheme 2018 (CODS) to provide opportunity to Directors whose DIN have been disqualified, Incube Advisors Private Limited has completed all the pending Annual Filing on and before March 31, 2018 in order to remove the disqualification. The current DIN status of Mr. Dilip Patel is active and the disqualification has been removed by the Ministry of Corporate Affairs.

2. Pursuant to Section 230 to 232 of the Companies Act, 2013, The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, via order dated March 16, 2018 have approved the merger of Solar Initiating Systems Limited (a promoter group Company) Solar Mines and Minerals limited (a Wholly owned Subsidiary of the Company) and Solar Mining and Resources Limited (a wholly owned subsidiary of the company) with Economic Explosives Limited (a wholly owned subsidiary of the Company).

3. The Board of Directors in its meeting held on January 31, 2019 have approved the shifting of registered office of the Company within the local limits of the city pursuant to Section 12 of Companies Act, 2013, read with Rule 25 of the Companies Incorporation Rules, 2014. The registered office of the Company has been shifted from 11, Zade Layout, Bharat Nagar, Nagpur-440033 to "Solar" House, 14 Kachimet, Amravati road, Nagpur-440023.

4. The Company through postal ballot via special resolution dated August 4, 2014 had authorized the Board of Directors to borrow monies on behalf of the Company not exceeding ₹ 1000 Crores (Rupees One Thousand Crores). Considering Company's business requirements, expansion and growth plans, the Company via Special resolution in its Annual General Meeting held on July 31, 2018 have increased the borrowing limits upto ₹ 1500 Crores (Rupees One Thousand and Five Hundred Crores Only) pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made there under.

For Anant B Khamankar & Co.

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

Place : Mumbai
Date : April 22, 2019

Annexure 'D'

Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Section 135 of the Companies Act, 2013)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.

CSR Policy:

A detailed CSR policy was framed by the Company with approvals of the CSR Committee and Board taken on May 26, 2014. The CSR policy is placed on the website of the Company at the below mentioned link:

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

Our Broad Objectives as stated in our CSR policy include:

The various CSR initiatives of the Company focuses on the growth and development of the people in the vicinity of its operational areas and the registered office through a range of activities mentioned in schedule VII of section 135 of Companies Act, 2013.

Our CSR policy focuses on four thrust areas of Health & Hygiene, Education, Environment Sustainability and Rural Development.

1. Health & Hygiene
2. Education
3. Environment Sustainability
4. Rural Development
5. Public Welfare

Healthcare & Hygiene

To improve access to health care and to support people in vulnerable communities, during the year the Company has contributed for the procurement and installation of advanced medical equipments to the hospitals which has been set up for the treatment of the less privileged and economically disadvantaged sections of the society.

We provide healthcare support through periodic medical check-up and diagnosis camps that are facilitated by specialist and trained doctors from various renowned hospitals of Nagpur. Solar's employees actively volunteer and participate in organizing the medical camps by campaigning for the program, coordinating with project partners and helping with logistics.

Education

The future lies in education. Company continues to focus on improving quality of education in the villages surrounding of the plants locations. The Company has provided School furniture, repaired the Classrooms and Constructed School buildings etc. The objective of infrastructure upgradation is to create an enabling environment in schools.

Environment Sustainability

Solar not only respects the ecosystem it operates in but also works consistently towards conserving it. Plantation drives are conducted in association with the Vanarai Foundation in vicinity of Nagpur and nearby villages.

Rural development

Our activities for rural development are aimed at helping people living in rural areas to gain better quality of life. We have undertaken various initiatives in the areas of health and hygiene etc.

Public Welfare

The Company believes in giving back to the society as a responsible corporate citizen and undertakes various initiatives for public welfare.

2. Composition of the CSR Committee

Shri Satyanarayan Nuwal, Chairman
Shri Manish Nuwal, Member
Shri Ajai Nigam, Member
Smt. Khushboo Pasari, Secretary

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

Average net profit: ₹ 191.65 Crores

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

The Company was required to spend ₹ 3.83 Crores towards CSR.

5. Details of CSR spend for the financial year

a) **Total amount spent for the financial year:** ₹ 4.05 Crores.

b) **Amount unspent, if any:** Nil

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

(₹ in Crores)

Sr. No	CSR project or activity Identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Project or Programme 1. Local Area or Other 2. Specify the State and district where projects or programme was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs: Sub Heads (1)Direct Expenditure on Projects or Programme (2)Overheads	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1.	• Contribution to Maa Bhawani Multispeciality Hospital and Research Institute for Procurement & installation of CT Scan Machine (16 Slice).	Healthcare & Hygiene	Pardi, Nagpur	1.11	1.11	1.11	Direct
	• Providing primary support to start the functioning of Satyanayayan Nuwal Gurukul De-addiction and rehabilitation centre for alchoholic and drug addicts		Nagpur	0.25	0.25	0.25	Direct
	• Arrangement of Health Checkup and Eye Checkup Camps.		Bazargaon, Ringnabodi, Manendragarh and at various other plant locations of the Company.	0.027	0.022	0.022	Direct
2.	• Contribution for setting up of new building in the premises of Jagrut Convent School.	Education	Warud, Dist:- Amravati	0.25	0.25	0.25	Direct
	• Promoting Education by Construction & upgradation of School Infrastructure, Distribution of education material and Promoting education amongst tribal students.		Kaapari- Parsodi, Wardha Road, Nagpur Mudapar, Korba Bazargaon	0.0776	0.0776	0.0776	Direct & through 1. Friends of Tribal Society 2. Helplink Charitable Trust
3.	• Contribution for Agrarian Development in rural sector by providing farm equipments.	Environment		0.1075	0.1075	0.1075	Krishi Vikas Pratisthan
	• Contribution towards environment stability and Ecological Balance through plantation of saplings.			0.135	0.135	0.135	Vanrai Foundation

(₹ in Crores)

Sr. No	CSR project or activity Identified	Sector in which the project is covered (Clause number of Schedule VII to the Companies Act, 2013, as amended)	Project or Programme 1. Local Area or Other 2. Specify the State and district where projects or programme was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs: Sub Heads (1)Direct Expenditure on Projects or Programme (2)Overheads	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
4.	• Rural Development activities for promotion of sanitation and making available safe drinking water.	Rural Development	Chakdoh Bazargaon Chandrapur	0.070	0.070	0.070	Direct
	• Construction of Portable toilets for the villagers.		Ringnabodi	0.0130	0.0128	0.0128	Direct
5.	• Development & Beautification initiatives undertaken at Kasturchand Park, a heritage site for the benefit of general Public.	Preventive healthcare Environment, Sustainablity & Public Welfare	Kasturchand Park, Nagpur	1.70	1.74	1.74	Direct
	• Upgradation of Infrastructure of Public Liabraries		Chandrapur	0.25	0.2784	0.2784	Direct
	Total			**3.99**	**4.05**	**4.05**	

6. In case the Company has failed to spend the two percent of average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:

   Not Applicable

7. Our CSR Responsibility statement

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

For and on behalf of the Board

Manish Nuwal
Managing Director

Satyanarayan Nuwal
Chairman
Corporate Social ResponsibilityCommittee

Place : Nagpur
Date : May 09, 2019

Annexure 'E'

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

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

A. Conservation of Energy

The Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimising carbon footprints and are being continuously upgraded to consistently achieve this goal. The Company has a distinction of having all its plants certified for ISO 14001-2015 and 18001-2007 which is a culmination of our sustained efforts and our policy of protecting environment and natural resources.

The pioneering effort of the Company in rainwater harvesting has started giving good results. Construction of benches, trenches, open reservoirs and check dams in the large open land areas in the plant 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 used for gardening and in the process wherever possible. We have almost achieved Zero Liquid Discharge (ZLD).

The Company gets energy audit conducted by internally and by Certified Energy Auditors regularly and take corrective actions.

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

The Company has spent ₹ 0.84 Crores as capital investment on energy conservation equipment during the FY 2018-19.

B. Technology Absorption, Adaptation and Innovation

- **Efforts in Brief:** The Company has full-fledged Research& Development Division engaged in research on new products, processes and study on the existing manufacturing process, optimization of process parameters to improve the product quality, safety and cost saving.

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

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

Research and Development (R& D)

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

- Our R & D activities run parallel to the activities in our principal areas of operation
- Electronic Detonators
- Packaged Explosives
- Bulk Explosives
- Initiating Systems
- High Energy Material

(b) Benefits derived as results of above:

- Improved safety compliance and enhanced environment protection.
- Modification of existing process for some of the products and savings in cost of production.
- R & D has benefited in improving the quality of Packaged, Bulk Explosives and Initiating Systems.
- Introduced products for defence application.
- Safe primary explosives composition developed which has result in improving the operational safety.
- Tracking and Tracing of Final Goods.

(c) Future plan of action:

- Introducing new products for different application in Defence Sector.
- Development of variety of products for mining segment.
- Tracking and traceability of Finished Goods in collaboration with PESO.
- Developing Eco-friendly chemicals as substitute to eliminate hazardous chemicals in the processes.
- Improving Quality and Shop-floor safety of Packaged Explosives and Detonators.
- Enhancing Customer's Satisfaction while handling & usage of products.
- Developing applications to provide improved blasting resolutions.

(d) Expenditure on R&D:

(₹ in Crores)

Sr. No.	Particulars	2018-2019	2017- 2018
1.	Capital	5.38	0.65
2.	Recurring	7.19	5.28
3.	Total	12.57	5.93
4.	R&D Expenditure percentage of Turnover	0.76%	0.45%

C. Foreign Exchange Earnings and outgo:

(₹ in Crores)

Sr. No.	Particulars	2018-2019	2017- 2018
1.	Earnings in Foreign Exchange	278.17	157.51
2.	Outgo in Foreign Exchange	104.61	52.26

For and on behalf of the Board

Place : Nagpur
Date : May 09, 2019

(Satyanarayan Nuwal)
Chairman

Report on Corporate Governance

1. Corporate Governance

1.1 Introduction:

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

1.2 Company's Philosophy on Corporate Governance:

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

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

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

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

- Code of Conduct for Directors and Senior Management Personnel
- Code of fair disclosures of unpublished price sensitive information
- Remuneration Policy for Directors, KMP and other Employees
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for employees
- Corporate Social Responsibility Policy
- Human Resources Initiatives
- Policy on Related Party Transactions
- Policy for Determining Material Subsidiaries
- Policy on Disclosure of Material Events
- Policy on Preservation of Documents
- Policy for Dividend Distribution
- Policy for procedure of inquiry for leak of UPSI

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

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

2. First Layer Governance by Board of Directors

The Corporate Governance structure at Solar is as follows:

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

2.1 Composition of Board:

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

Table 1: The composition of Board of Directors as on March 31, 2019 is as follows:

Particular	Category	No. of Directors
Executive Chairman	Promoter	1
Executive Vice - Chairman	Promoter	1
Managing Director & CEO	Promoter	1
Executive Directors	Non-Promoter	2
Non-Executive Independent Directors	--	5
Total		**10**

The Board is well balanced with equal number of Executive and Non-Executive Independent Directors.

2.2 Changes in the Board:

During the year under review, based on the recommendations of the Nomination & Remuneration Committee and considering the outcome of performance evaluation exercise, background, experience and contributions made by Shri Dilip Patel, Shri Amrendra Verma, Shri Ajai Nigam and Shri Anant Sagar Awasthi during their tenure, Board of Directors had approved re-appointment(s) of said Non-Executive Independent Directors for a second term, and recommends their re-appointment at Item No. 4,5,6 & 7 of the Notice Calling 24th Annual General Meeting for consideration of the Shareholders.

2.3 Policy for selection and appointment of Directors and their remuneration:

The Nomination & Remuneration Committee has approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitate the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board.

Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive Independent Directors are independent in terms of Listing Regulations, 2015.

Declarations

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

Disclosures

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

2.4 Board Procedures:

Meetings

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

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

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

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

Recording minutes of proceedings at Board and Committee Meetings

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

Post meeting follow-up mechanism

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

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

Compliance

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

Meetings during the year:

During the FY 2018-19, the Board of Directors met five times i.e. May 11, 2018, July 30, 2018, October 29, 2018, January 31, 2019 and March 30, 2019. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

2.5 Independent Directors:

Separate Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on January 31, 2019;

i. Review the performance of Non- Independent Directors and the Board as a whole;

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

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

Terms and Conditions of Appointment

As required under Regulation 46(2)(b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of their appointment are posted on the Company's website and can be accessed at www.solargroup.com

Familiarisation Program of Independent Directors

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

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

Governance Codes

Conflict of Interests

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

Attendance record of Directors

Table 2: Composition of the Board and attendance records of Directors as on March 31, 2019

Sr. No.	Name of the Director	Category	Attendance at	
			Board Meeting	Last AGM
1.	Shri Satyanarayan Nuwal DIN: 00713547	Chairman and Executive Director	3/5	Present
2.	Shri Kailashchandra Nuwal DIN: 00374378	Vice-Chairman and Executive Director	0/5	Leave sought
3.	Shri Manish Nuwal DIN: 00164388	Managing Director and CEO	5/5	Present
4.	Shri Anil Kumar Jain DIN: 03532932	Executive Director	5/5	Present
5.	Shri Suresh Menon* DIN: 07104090	Executive Director	5/5	Present
6.	Shri Anant Sagar Awasthi DIN: 00228429	Non-Executive Independent Director	4/5	Leave sought
7.	Shri Dilip Patel DIN: 00013150	Non-Executive Independent Director	5/5	Present
8.	Shri Ajai Nigam DIN: 02820173	Non-Executive Independent Director	5/5	Present
9.	Shri Amrendra Verma DIN: 00236108	Non-Executive Independent Director	4/5	Present
10.	Smt. Madhu Vij DIN: 00025006	Non-Executive Independent Director	4/5	Leave sought

*Appointed as an Executive Director of the Company w.e.f May 11, 2018.

2.6 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 Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

2.7 None of the Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended March 31, 2019.

2.8 Profile of Board of Directors:

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

2.9 Information provided to all the members of Board of Directors:

The Board of Directors of the Company plays the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Regulation 17(7) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

The normal business of the Board includes:

- Annual Operating Plans and Budgets, Capital Budgets and any updates thereon.
- Quarterly Results of the Company and its operating divisions.
- Minutes of Meetings of Audit Committee and other Committees of the Board of Directors.
- Minutes of Board meetings of unlisted subsidiary companies.
- Board remuneration policy and individual remuneration packages of Directors.
- Information on recruitment and remuneration of senior including appointment or removal of Chief Financial Officer and the Company Secretary.
- Convening a meeting of shareholders of the Company, setting the agenda thereof and ensuring that a satisfactory dialogue with shareholders takes place.
- Declaration / recommendation of dividend.
- Review of functioning of the Board and its Committees.
- Review of functioning of the Subsidiary Companies.
- Annual review of accounts for adoption by shareholders.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations front.
- Sale of material nature of investments, subsidiaries and assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Review of related party transactions
- Declaration of Independent Directors at the time of appointment/ annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel (KMP) and officer one level below KMP.
- Appointment of Secretarial Auditors.
- Compliance Certificate certifying compliance with all laws as applicable to the Company.
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
- Compliances of any regulatory, statutory or listing requirements.

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

Board Support

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

Directorships and Memberships of Board Committees

Table 3: Directorships/committee positions as on March 31, 2019

Sr. No.	Name of Director	Category	Number of Directorships (including SIIL)	Chairmanship in committees of Board (including SIIL)	Membership in committees of Board (including SIIL)
1.	Shri Satyanarayan Nuwal DIN:00713547	Chairman and Executive Director	05	-	-
2.	Shri Kailashchandra Nuwal DIN: 00374378	Vice-Chairman and Executive Director	05	-	01
3.	Shri Manish Nuwal DIN: 00164388	Managing Director and CEO	04	-	03
4.	Shri Suresh Menon* DIN: 07104090	Executive Director	01	-	-
5.	Shri Anil Kumar Jain DIN: 03532932	Executive Director	03	-	01

Sr. No.	Name of Director	Category	Number of Directorships (including SIIL)	Chairmanship in committees of Board (including SIIL)	Membership in committees of Board (including SIIL)
6.	Shri Anant Sagar Awasthi DIN: 00228429	Non-Executive Independent Director	01	-	-
7.	Shri Dilip Patel DIN: 00013150	Non-Executive Independent Director	05	05	01
8.	Shri Ajai Nigam DIN: 02820173	Non-Executive Independent Director	02	-	01
9.	Shri Amrendra Verma DIN: 00236108	Non-Executive Independent Director	05	03	03
10.	Smt. Madhu Vij DIN: 00025006	Non-Executive Independent Director	04	-	03

* Appointed as an Executive Director of the Company w.e.f May 11, 2018.

Notes:

- Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies and Foreign Companies.
- Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Grievance Committee.
- None of the directors were members in more than 10 committees and had not held Chairmanship in more than five committees across all companies in which he/she was a director as on March 31, 2019.

Table 3A: 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 DIN: 00713547	A first generation entrpreneur with expertise in Business Management and Corporate Planning.	-
2	Shri Kailashchandra Nuwal DIN: 00374378	An entrepreneur with expertise in business management for trade sector. He is actively involved in strategic planning and possess instinctive knowledge of market trends of explosives industry.	-
3	Shri Manish Nuwal DIN: 00164388	A second generation entreprenuer and an industrialist with a stupendous financial and management skills. His leadership skills have helped scaled the overseas business across new countries. He also provides his intellect in commercial and technical matters.	-
4	Shri Anil Kumar Jain DIN: 03532932	Years of experience in management of operations across all plants.	-
5	Shri Suresh Menon DIN: 07104090	A deep understanding of explosives market (both at domestic and global markets).	-
6	Shri Anant Sagar Awasthi DIN: 00228429	Supervises the administrative and compliance functions with years of experience.	-
7	Shri Dilip Patel DIN: 00013150	Strong financial and leadership skills backed with effective communication skills.	Godavari Drugs Limited (Non-Executive Independent Director)
8	Shri Ajai Nigam DIN: 02820173	He possess deep knowledge and understanding of Explosives Act, Rules and Regulations.	-
9	Shri Amrendra Verma DIN: 00236108	A financial expert with vast knowledge in finance and banking sector.	1. Electro Steel Castings Ltd (Non-Executive Independent Director) 2. Security and Intelligence Services(India) Limited (Non-Executive Independent Director)
10	Smt. Madhu Vij DIN: 00025006	An analyst with expertise in International Financial Management, Management Accounting and Financial Decision Analysis.	1. Singer India Limited (Non-Executive - Independent Director, Shareholder Director) 2. Kohinoor Foods Limited (Non-Executive - Independent Director) 3. SMC Global Securities Limited (Non-Executive Independent Director)

2.10 Relationship between Directors inter-se:

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

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

2.11 Directors Shareholding:

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

Table 5: Directors Shareholding as on March 31, 2019

Sr. No.	Name of Directors	No. of Equity Shares held
1.	Shri Satyanarayan Nuwal	13239254
2.	Shri Kailashchandra Nuwal	20882963
3.	Shri Manish Nuwal	25232069
4.	Shri Suresh Menon	Nil
5.	Shri Anil Kumar Jain	705

None of the Non-executive Independent Directors of the Company hold Equity Shares of the Company during the financial year ended March 31, 2019.

2.12 Code of Conduct:

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

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

2.13 Performance Evaluation:

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

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

3. Second Layer Committees of Board of Directors

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

The Company has Five Board-level Committees, namely:

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

3.1 Audit Committee:

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

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

A. Extract of Terms of Reference

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

1. Oversight of financial reporting process.
2. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
3. Evaluation of internal financial controls and risk management systems.

4. One-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and Cost Auditors and their remuneration.
5. Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
6. Review of Business Risk Management Plan.
7. Review of Forex policy.
8. Review of Management Discussions and Analysis.
9. Review of Internal Audit Reports and significant related party transactions.
10. Reviewing the utilisation of loans and/or advances.

The Statutory Auditors, Internal Auditors of the Company are invited to attend and participate at the meetings of the Committee. Our Chief Financial Officer and other corporate officers make presentations to the Audit Committee on various issues.

The Cost Auditors attend the Audit Committee Meeting where Cost Audit Report is discussed. The due date for filing the Cost Audit Report for the financial year ended March 31, 2019 is October 30, 2019.

The Chairman of the Audit Committee Shri Dilip Patel attended the last Annual General Meeting held on July 31, 2018.

M/s D L Associates and M/s Ekbote Deshmukh & Co. were the firms those performed the Internal Audit function of the Group for the FY 2018-19.

B. Meetings during the year

The Audit Committee met five times during the year under review. The Committee meetings were held on May 11, 2018, July 30, 2018, October 29, 2018, January 31, 2019 and March 30, 2019. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

C. Composition and Attendance

The Attendance at the meetings was as under:

Table 6: Composition and Attendance of Audit Committee as on March 31, 2019

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

Smt. Khushboo A. Pasari acts as the Secretary to the Audit Committee.

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

3.2 Nomination and Remuneration Committee:

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

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

The principal scope / role also 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. The Primary Responsibilities of this Committee Includes:

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

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

B. Meetings During the Year:

The Nomination and Remuneration Committee met three times during the year under review on May 11, 2018, October 29, 2018 and March 30, 2019.

The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 180 days.

C. Composition and Attendance

The Attendance at the meetings was as under:

Table 7: Composition and attendance of Nomination and Remuneration Committee as on March 31, 2019

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

Smt. Khushboo A. Pasari acts as the Secretary to the Nomination and Remuneration Committee.

* Appointed as a Chairman of the Committee w.e.f from May 09, 2019.

** Resigned from the Committee w.e.f May 09, 2019

D. Remuneration Policy

1. Remuneration to Executive Directors

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

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

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

E. Executive Directors Remuneration:

The remuneration package of the Executive Directors is normally decided over a period for 3/5 years by the Nomination and Remuneration Committee. The remuneration paid to the Executive Directors during the FY 2018-19 is as below:

Table 8: Remuneration paid to Executive Directors during the FY 2018-19:

(₹ in Crores)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Service Contract	Notice Period	Stock Options	Total
1.	Shri Satyanarayan Nuwal Chairman & Executive Director	1.2	1.5	0.06	0.00	0.00	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	5 Years from their respective date of appointment	As per the rules of the Company	Nil	2.76
2.	Shri Kailashchandra Nuwal Vice-Chairman & Executive Director	1.2	1.5	0.06	0.00	0.00				Nil	2.76
3.	Shri Manish Nuwal Managing Director & CEO	1.2	1.5	0.06	0.00	0.00				Nil	2.76
4.	Shri Suresh Menon* Executive Director	0.35	-	-	0.00	0.00				Nil	0.35
5.	Shri Anil Kumar Jain Executive Director	0.42	-	0.03	0.00	0.00				Nil	0.45
6.	Shri Roomie Dara Vakil** Executive Director	0.03	-	0.01	0.00	0.00				Nil	0.04

Note: *Appointed as an Executive Director of the Company w.e.f May 11, 2018

**Resigned from the Board of the Company w.e.f. May 11, 2018.

F. Non-Executive Independent Directors Remuneration:

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

Non-Executive Independent Directors were only paid sitting fees for attending Board and Board Committee meetings for the FY 2018-19. None of the Non-Executive Directors held any shares in the Company.

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

The sitting fees [remuneration] paid to the Non-Executive Independent Directors during the FY 2018-19 is as below:

Table 9: Remuneration paid to Non-Executive Directors during the FY 2018-19

Amount in ₹

Sr. No.	Non-Executive Directors	Sitting Fees
1.	Shri Anant Sagar Awasthi	220000
2.	Shri Dilip Patel	352500
3.	Shri Amrendra Verma	280000
4.	Shri Ajai Nigam	352500
5.	Smt. Madhu Vij	270000

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

G. Succession planning

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

3.3 Stakeholders Relationship Committee:

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

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

A. The primary responsibilities of this Committee includes:

1. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.

2. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.

3. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

4. Perform such other functions as may be necessary or appropriate for the performance of its duties.

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

5. Perform such other functions as may be necessary or appropriate for the performance of its duties.

B. Meetings during the Year:

The Committee met five times during the year under review. The Committee meetings were held on May 11, 2018, July 30, 2018, October 29, 2018, January 31, 2019 and March 30, 2019.The gap between any two meetings has been less than four months.

C. Composition and Attendance

The Attendance at the meetings was as under:

Table 10: Composition and attendance of Stakeholders Relationship Committee as on March 31, 2019

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Manish Nuwal#	Member	Executive Director	4/4
2.	Shri Amrendra Verma^	Chairman	Non-Executive Independent Director	3/4
3.	Shri Anil Kumar Jain^	Member	Executive Director	2/3
4.	Shri Anant Sagar Awasthi*	Chairman	Non-Executive Independent Director	2/2
5.	Shri Kailashchandra Nuwal*	Member	Vice Chairman and Executive Director	2/2

Smt. Khushboo A. Pasari acts as the Secretary to the Stakeholders Relationship Committee.

Note:

Appointed as a member of the Committee w.e.f May 11, 2018.

^ Appointed as a member of the Committee w.e.f July 30, 2018.

* Resigned from the position of Member of Committee w.e.f July 30, 2018.

D. Nature of Complaints and Redressal Status

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

Table 11: Nature of Complaints and redressal status as on March 31, 2019

Sr. No.	Nature of Complaint	Complaints Received	Complaints Processed	Complaints Pending
1.	Non Receipt of Annual Report	0	0	0

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

3.4 Corporate Social Responsibility Committee:

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

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

A. Terms of Reference

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

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

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

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

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

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

vii. To report regularly to the Board.

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

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on May 11, 2018, July 30, 2018, October 29, 2018 and January 31, 2019.

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

C. Composition of CSR Committee

Table 12: Composition and attendance of Corporate Social Responsibility Committee as on March 31, 2019

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

Smt. Khushboo Pasari acts as the Secretary to Corporate Social Responsibility Committee.

3.5 Committee Minutes:

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

4. Risk Management

The Risk Management Committee of the Company was constituted on March 30, 2019, in line with the provisions of Regulation 21 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

A. The primary responsibilities of this Committee includes:

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

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

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

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

v. Protecting and enhancing assets and company image.

vi. Reducing volatility in various areas of the business.

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

viii. Optimizing operational efficiency

B. Composition and Attendance

The Attendance at the meetings was as under:

Table 13: Composition and attendance of Risk Management Committee as on March 31, 2019

Sr. No.	Name of Member(s)	Nature of Membership	Category
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO
2.	Shri Anil Kumar Jain	Member	Executive Director
3.	Shri Suresh Menon	Member	Executive Director
4.	Shri Dilip Patel	Member	Non-Executive Independent Director
5.	Shri Amrendra Prasad Verma	Member	Non-Executive Independent Director
6.	Shri Sartaj Singh	Member	Director in Group Company
7.	Shri Nilesh Panpaliya	Member	Chief Financial Officer
8.	Miss Sayali Wankhade	Member	Senior Executive IT

Smt. Khushboo Pasari acts as the Secretary to Risk Management Committee.

5. Third Layer Governance by Shareholders

a) General Body Meetings

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

Year	Location	Date & Time	Special Resolution Passed
23rd AGM 2018	Hotel Tuli Imperial , Central Bazar, Ramdaspeth Nagpur 440010	July 31, 2018 at 12.30 P.M	• Increase in Limits of Borrowings U/S 180 (1) (c) of the Companies Act, 2013. • Increase in limits of providing security u/s 180 (1) (a) of the Companies Act, 2013 in connection with the borrowing of the Company.
22nd AGM 2017	Hotel Tuli Imperial , Central Bazar, Ramdaspeth Nagpur 440010	August 21, 2017 at 12.30 P.M	Special Resolution was passed for Appointment of Shri Roomie Dara Vakil as an Executive Director.
21st AGM 2016	Hotel Tuli Imperial , Central Bazar, Ramdaspeth Nagpur 440010	September 22, 2016 at 12.30 P.M	None

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

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

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

6. Means of Communication

6.1 Quarterly Results

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

6.2 Newspapers wherein Results are Normally Published

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

6.3 Any Website, where Displayed

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

6.4 Whether it also Displays Official News Releases

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

6.5 Presentations to Institutional Investors or Analysts

During the FY 2018-19, presentations made to institutional investors or analysts by Solar Industries India Limited are displayed on the Company's website www.solargroup.com

6.6 Company's Corporate Website

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

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

6.7 Annual Report

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

6.8 Chairman's Communique

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

6.9 Designated Exclusive email-id for investor services

The Company has designated the following email-id exclusively for investor servicing.

investor.relations@solargroup.com

6.10 NSE Electronic Application Processing System (NEAPS)

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

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

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

6.12 SEBI Complaints Redress System (SCORES)

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

6.13 Reminder to Investors

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

7. General Shareholder Information and Disclosures

7.1 Annual General Meeting

Day & Date: Wednesday, the July 31, 2019
Time: 1.00 p.m.
Venue: Hotel Tuli Imperial, Central Bazar Road, Ramdaspeth, Nagpur- 440010 Maharashtra.

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

The last date for receipt of proxy forms by us is July 29, 2019 before 1.00 p.m.

7.2 Financial Calendar

Our Tentative calendar for declaration of results for the financial year 2019-20 is given below:

Table 15: Financial results schedule for the year 2019-20

Particulars	Tentative Schedule
Financial Reporting for the Quarter ending June 30, 2019	On or before August 14, 2019
Financial Reporting for the Quarter ending September 30, 2019	On or before November 14, 2019
Financial Reporting for the Quarter ending December 31, 2019	On or before February 14, 2020
Financial Reporting for the Year/Quarter ending March 31, 2020	On or before May 30, 2020
Annual General meeting for the Year ending March 31, 2020	In or before September, 2020

For the year ended on March 31, 2019 results were announced on May 09, 2019.
For the Quarter ended on June 30, 2019 results will be announced on July 30, 2019.

7.3 Final Dividend

The Board of Directors of the Company has proposed the Final Dividend of ₹ 7.00 Per Equity Share for the financial year ended on March 31, 2019 subject to the approval by the shareholders of the Company at the 24th Annual General Meeting.

Dates of Book Closure

The Register of Members and the share Transfer Books of the Company shall remain closed from July 20, 2019 till July 31, 2019 (both days inclusive) for payment of Final Dividend and Annual General Meeting.

7.4 Final Dividend Payment Date

The payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after August 23, 2019:

1. To all those Beneficiaries holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at end of the day on July 19, 2019.
2. To all those shareholders holding shares in physical form, after giving effects to all the valid share transfers lodged with the Company on or before the closing hours on July 19, 2019.

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

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

7.5 Dividend Policy

The Board of Directors has adopted a policy on Dividend Distribution which is posted on the website of the Company: http://www.solargroup.com.

7.6 Corporate Identity Number (CIN)

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

7.7 Listing on Stock Exchanges

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

Table 16: Listing Details

Sr. No.	Name of Stock Exchange	Stock Code/ Scrip Code	Address	ISIN Number for NSDL/ CDSL(Dematerialised shares)
1	BSE Limited (BSE)	532725	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	INE343H01029
2	National Stock Exchange of India Limited, (NSE)	SOLARINDS	Exchange plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	

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

7.8 Market Price Data

The shares of the Company were listed on NSE and BSE on April 3, 2006 share price data from April 1, 2018 to March 31, 2019 is as follows:

Table 17: Market Price data of Solar Industries India Limited

	Market price data of BSE & NSE FY 2018-19							
	BSE				NSE			
	Share price		Sensex points		Share price		S & P CNX Nifty points	
Month	High	Low	High	Low	High	Low	High	Low
April 2018	1099.95	1003.95	32972.56	35160.36	1,096.45	1,007.95	10759.00	10111.30
May 2018	1175.00	1034.00	34302.89	35322.38	1,175.80	1,010.00	10929.20	10417.80
June 2018	1200.00	1060.05	34784.68	35423.48	1,196.00	1,061.00	10893.25	10550.90
July 2018	1215.00	1062.00	35106.57	37606.58	1,218.80	1,059.00	11366.00	10604.65
August 2018	1320.00	1155.00	37128.99	38645.07	1,300.00	1,150.50	11760.20	11234.95
September 2018	1189.45	1017.40	35985.63	36227.14	1,192.00	1,016.00	11751.80	10850.30
October 2018	1078.45	941.05	33291.58	34442.05	1,075.75	941.00	11035.65	10004.55
November 2018	1040.00	979.65	34303.38	36194.30	1,042.70	980.00	10922.45	10341.90
December 2018	1096.00	979.45	34426.29	36068.33	1,100.00	975.00	10985.15	10333.85
January 2019	1096.50	980.00	36701.03	35375.51	1,095.00	977.40	10987.45	10583.65
February 2019	1024.95	923.60	37172.18	35287.16	1,025.00	924.30	11118.10	10585.65
March 2019	1088.00	945.80	38748.54	35926.94	1,099.00	945.55	11630.35	10817.00

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

7.10 Registrar and Share Transfer Agent

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

7.11 Share Transfer System

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

7.12 Distribution of shares and shareholding pattern as on March 31, 2019

Table 18: Shareholding pattern as on March 31, 2019

Shareholding of nominal value (₹)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1 - 500	13014	1076191	92.9107
501 – 1000	458	342361	3.2698
1001 – 2000	208	300780	1.4850
2001 – 3000	75	188182	0.5354
3001 – 4000	62	215162	0.4426
4001 – 5000	35	158860	0.2499
5001 – 10000	58	425577	0.4141
10001-- *****	97	87782942	0.6925
TOTAL	**14007**	**90490055**	**100**

Table 19: Shareholding Pattern (Category wise) as on March 31, 2019

Sr. No.	Category	No. of Shareholders	Total Shares	% Total Share holding
1	Promoters	6	66191271	73.1476
2	Resident Individuals(public)	12812	3558276	3.9322
3	Hindu Undivided Family	394	318913	0.3524
4	Mutual Funds	40	16633721	18.3818
5	Clearing Members	96	29121	0.0322
6	Other Bodies Corporate	269	651418	0.7200
7	Investor Education and Protection Fund	1	1075	0.0012
8	Non Resident Indians	217	65796	0.0727
9	Non-Resident Indians(Non Repatriable)	140	30623	0.0338
10	Non Nationalised Banks	2	4786	0.0053
11	NBFCs Registered with RBI	3	47257	0.0522
12	GIC & its Subsidiaries	1	1700700	1.8794
13	Foreign Portfolio Investor(Corporate)	26	1257098	1.3892
	TOTAL	**14007**	**90490055**	**100**

7.13 Dematerialisation of Shares and liquidity

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

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

SEBI vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after April 01, 2019 transfer of securities can not be processed unless the securities are held in the dematerialized form with a depository.

7.14 There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on March 31, 2019.

7.15 Disclosure related to Commodity Price Risks and Commodity Hedging Activities

During the FY 2018-19, 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 to the Annual Accounts of the Company.

7.16 Plant Locations as on March 31, 2019

Table 20: Plant Locations as on March 31, 2019

Sr. No.	Unit	Address	City
1	Solar Industries India Limited Chakdoh	Kh No 37-39 & 78-83, Amravati Road, Village-Chakdoh (Bazargaon), Tehsil-Katol	Nagpur, Maharashtra
2	Solar Industries India Limited Waidhan Unit-1	Plot No. 32-37, Udyog Deep Industrial Area, Teh. Waidhan, Dist. Singrauli (M.P.) - 486 886`	Waidhan , Madhya Pradesh
3	Solar Industries India Limited Warur	Survey No. 101, Warur Road, Tahsil - Rajura, Dist. Chandrapur (M.S.) - 442 905	Chandrapur, Maharashtra.
4	Solar Industries India Limited Korba	Khasra No. 5, Village-Mudapar, (Hardi Bazar) Po- Korbi/ Dhatura, Tahsil:Pali, Dist-Korba (Chhattisgarh) Pin-495446	Korba, Chattisgarh.
5	Solar Industries India Limited Ramgarh	Plot No. 967 & 1156, Village -Manua(Binjhar), Post-Argada(Hesla), Dist. Ramgarh (Jharkhand) - 829 101.	Hazribagh, Jharkhand.
6	Solar Industries India Limited Tadali	Plot No. B-11, MIDC Growth Centre, Tadali, Dist. Chandrapur (M.S.)	Tadali, Distt- Chandrapur Maharashtra
7	Solar Industries India Limited Dhanbad	Plot No. C-32-33 (P), Kandra Industrial Area, At-Bhetia,Post: Govindpur, Dist. Dhanbad (Jharkhand) - 828109	Dhanbad, Jharkhand.
8	Solar Industries India Limited Asansol	Plot No. 2/848, 3&5, Mouza Barapukuria, Post: Kalla(C.H), District : Paschim Bardhaman (West Bangal) - 713340	Burdwan, West Bengal
9	Solar Industries India Limited Talcher	IDCO Plot No. 27,Revenue Plot No. 48(P),Industrial Estate,Village-Ghantapada, Post- South Balanda(Talcher), Dist-Angul(Odisha),Pin-759116	Angul, Orissa.
10	Solar Industries India Limited Manendragarh	Khasara No. 323/2 Mouza - Chainpur , Tahsil & Post-Manendragarh, Dist- Korea (Chhattisgarh) Pin Code-497442	Koria, Chattisgarh.
11	Solar Industries India Limited Karimnagar	Survey No. 363, Village:Mustial, Post:Sundilla, Mandal-Ramagiri, Dist.Peddapalli, State-Telangana 505209	Karimnagar, Andra Pradesh
12	Solar Industries India Limited Jharsuguda	Plot No.389 to 392, village-Beherapali, Post Badmal, Tehsil Jharsuguda, Dist. Jharsuguda (Odisha) - 768 202	Jharsuguda, Orissa
13	Solar Industries India Limited Waidhan Unit-2	KH. No. 975/2 ,Post -Ganiyari, Tahsil- Waidhan, District-Singrauli (M.P.)486886	Dist. Singrauli (M.P)
14	Solar Industries India Limited Bhilwara	Khasra No. 1459 & 1460, Village- Rupaheli , Tah.-Hurda, Dist.- Bhilwara, State – Rajasthan- 311030	Tahesil Hurda, Dist Bhilwara (Raj.)
15	Solar Industries India Limited Kothagudem	Survey No 117, Village: Penagadapa , Post:Venkateshkhani, Mandal-Kothagudem , Dist. Bhadradri Kothagudem ,State -Telangana 507103.	Dist-Khammam (AP)
16	Solar Industries India Limited Kota	Khasra No 132 & 137, Village Dingsi, Post - Suket, Tahsil Ramganj Mandi, District Kota - 326530 (Rajasthan).	Dist- Kota (Rajasthan)
17	Solar Industries India Limited Barbil	(Khata no. 118/22) plot no.1048, 1046/1265, 1047, 1049, 1035, 1134, 1034, 1046/1264 & 1046, Village Naibaga, Tehsil Jhumpura, District - Keonjhar (Odisha) - 758034	Dist- Keonjhar (OR)-
18	Economic Explosives Limited	Village – Sawanga	Teh and Dist: Nagpur
19	Economic Explosives Limited, Nimjee	Kh – 40/1 & 40/2 , Khapri, PO – MIDC,Gondkhari, Kamleshwar Road	
20	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh - 486886.	Distt – Singrauli (MP)
21	Blastec (India) Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District- Raigarh, Chhattisgarh. 496001	Teh & Distt- Raigarh (CG)

Sr. No.	Unit	Address	City
22	Blastec (India) Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli. M.P 486886	Distt – Singrauli (MP)
23	Blastec (India) Private Limited	Survey No. 624/3, Plot no. 14, Town/Village - Ratija, Korba, Chhattisgarh. Pincode-495449	Teh & Distt- Korba (CG)
24	Solar Industries India Limited, Kotputli (Under Process)	Kh.No. 200,201/1034,201 & 218 Village Kujota, Tahsil - Kotputli, Dist. - Jaipur, Rajasthan	Kotputli
25	Solar Industries India Limited, Bhadesar (Under Process)	Survey No 2683,2684, & 2685 Village - Bhadesar - 312602 Tahsil - Bhadsora Dist. Chittorgarh - Rajasthan	Bhadsora

7.17 Address for correspondence

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

Solar Industries India Limited
Khushboo Pasari
Company Secretary & Compliance Officer
“Solar” House, 14, Kachimet, Amravati Road
Nagpur-440023, Maharashtra
Tel: (0712) 6634555
Fax: (0712) 2560202
Email: investor.relations@solargroup.com
CIN: L74999MH1995PLC085878

7.18 Credit Rating

Given below are the ratings given to the Company by CRISIL during the year under review:

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

Table 21: Major 10 Shareholders as on March 31, 2019 (other than promoters)

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1	HDFC trustee company ltd. A/c hdfc balanced advantage fund	6340139	7.0064
2	SBI equity hybrid fund	4222788	4.6666
3	Kotak standard multicap fund	2960396	3.2715
4	ICICI prudential life insurance company limited	1700700	1.8794
5	DSP midcap fund	1654620	1.8285
6	India midcap (mauritius) ltd.	726431	0.8028
7	Canara robeco mutual fund a/c canara robeco emerging equities	593834	0.6562
8	Aditya birla sun life trustee private limited a/c aditya birla sun life midcap fund	400000	0.4420
9	Vicco products bombay pvt ltd	383734	0.4241
10	Tata mid cap growth fund	215189	0.2378

7.19 Voting through electronic means

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

The Company has entered into an arrangement with CDSL, an authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of Annual General Meeting, through such e-voting method.

E-Voting shall be open for a period of 3 days, from Sunday, July 28, 2019 (10.00 a.m.) to Tuesday, July 30, 2019 (5:00 p.m.). The Board has appointed Shri Tushar Pahade partner at M/s. Joshi Pahade & Associates, Practicing Company Secretaries as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice calling 24th Annual General Meeting and also placed on the website of the Company.

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

During the year under review, the Company has transferred unpaid and unclaimed dividend amount lying in the final dividend account (FY 2010-11) of ₹ 13,848/- and Interim Dividend account (FY 2011-12) of ₹ 58,205/- to Investor Education and Protection Fund.

7.21 Unclaimed Dividends

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 31, 2018 (date of last Annual General Meeting) on the Company's website (www.solargroup.com), as also on the Ministry of Corporate Affairs' website.

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

Table 22: Details of unclaimed dividends

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2019 (in Rupees)	Last Date for claiming Unpaid Dividend
2011-12 (Final)	August 11, 2012	39690.00	August 10, 2019
2012-13 (Interim)	November 05, 2012	45400.00	November 04, 2019
2012-13 (Final)	September 11, 2013	58272.00	September 10, 2020
2013-14 (Interim)	October 28, 2013	45175.00	October 27, 2020
2013-14 (Final)	September 04, 2014	16849.00	September 03,2021
2014-15 (Interim)	November 10, 2014	26968.00	November 09 ,2021
2014-15 (Final)	September 09, 2015	40599.00	September 08,2022
2015-2016 (First Interim)	October 29, 2015	23292.00	October 28, 2022
2015-2016 (Second Interim)	March 04, 2016	50077.00	March 03, 2023
2016-17 (Interim)	February 14, 2017	53484.00	February 13, 2024
2016-17 (Final)	August 21, 2017	62913.00	August 20, 2024
2017-18(Final)	July 31, 2018	94518.00	August 29, 2025

7.22 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares upto the Interim Dividend for the Financial Year 2011-12.

Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on http://www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

The Company will be transferring the Final Dividend and corresponding shares for the Financial Year 2011-12 and the Interim Dividend and corresponding shares for the Financial Year 2012-13 on or before August 09, 2019 and November 03, 2019 respectively. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. Due dates for Transfer of Unclaimed Dividend to IEPF are provided in the Report on Corporate Governance.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website at www.solargroup.com. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

8. Subsidiary Companies

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

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

9. Reconciliation of Share Capital Audit

As per Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996,a qualified practicing Company Secretary Shri Tushar Pahade partner at M/s. Joshi Pahade and Associates, Company Secretaries, has carried out reconciliation of share capital audit of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

10. Fourth Layer Governance through Management Process

10.1 Disclosure:

a. Disclosure of Related Party Transactions:

All transaction entered into by the Company with related parties, during the financial year 2018-19, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations.

The Audit Committee, during the financial year 2018-19, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

During the year under review, the Board of Directors suitably amended the Policy on dealing with and materiality of Related Party Transactions to:

a. include clear threshold limits for transactions with related parties, duly approved by the Board of Directors;

b. such other changes as were deemed necessary to bring it in line with recent amendments to Listing Regulations and Companies Act, 2013.

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: https://reports.solargroup.com/PORP-2.pdf

b. Details of Non-Compliance by the Company, Penalties and Strictures Imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

c. Whistle Blower Policy/Vigil Mechanism

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

The Whistle Blower Policy is posted on the website of the Company at the link https://reports.solargroup.com/WBP.pdf

d. In terms of Regulation 16 (1) (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: https://reports.solargroup.com/PFDMS-1.pdf

e. As required under Regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The policy on Related Party Transactions is available on the Company's website at: https://reports.solargroup.com/PORP-2.pdf

f. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2019.

g. A certificate from Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

h. There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 25(a) to the Standalone Financial Statements.

j. Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Table 23: Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	Number
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

k. Disclosure of Non-Compliance with Corporate Governance Requirement

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

l. Disclosure Policy

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: https://reports.solargroup.com/PODOFME.pdf

The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis. Key Managerial Personnel of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchanges.

m. Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company`s website.

n. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

o. Proceeds from Public Issues, Rights Issue, Preferential Issues, etc.

During the period under review, the Company has not made any public issues, rights issue, and preferential issues.

p. Compliance on Matters Related to Capital Markets

We have complied with all the requirements of regulatory authorities. During the last three years, there was no instance of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the Capital Markets.

q. Code for Prevention of Insider Trading

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

The code is posted on the website of the Company at the link https://reports.solargroup.com/COPAPF.pdf

r. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting.	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) &(2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) &(3)	Composition of Risk Management Committee	Yes
		21(4)	Role of the Committee	Under implementation
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7), (8) & (9)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	N.A.
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarization of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

10.2 Discretionary Requirements under Regulation 27 of Listing Regulation

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

The Chairman of SOLAR is an Executive Director and hence this clause is not applicable.

b. Shareholders rights

As the Company's quarterly and half yearly financial results are published in the English newspaper (Business Standard) having a circulation all over India and in a Marathi newspaper (Loksatta) having a circulation in Nagpur, the same are not sent separately to the shareholders of the Company, but hosted on the website of the Company.

c. Audit Qualifications

During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

d. Disclosures by the Management

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

e. Separate posts of Chairperson and CEO

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

f. Reporting of Internal Auditor

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

11. Role of Company Secretary in Corporate Governance

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

12. CEO/ CFO Certification

The CEO/CFO of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2019. The said certificate is attached in this Annual Report.

13. Auditor's Certificate on Corporate Governance

The Company obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to the Corporate Governance laid down the certificate annexed to the report on Corporate Governance Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2018-19, and will be sent to the stock exchanges along with this annual report to be filled by the Company.

Declaration by Chief Executive Officer (CEO)

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

- The Board of Directors of Solar Industries India Limited has laid down a code of conduct for all the Board Members and Senior Management Personnel of the Company. The said code of conduct has also been posted on Company's website: www.solargroup.com.
- All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended on March 31, 2019.

For **Solar Industries India Limited**

Manish Nuwal
Managing Director &
Chief Executive Officer

Place: Nagpur
Date: May 09, 2019

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

The Board of Directors
Solar Industries India Limited

We have reviewed financial statements and the cash flow statements of

Solar Industries India Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief, we state that:

1) **i.** These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2) We are, to the best of our knowledge and belief, no transactions entered into by the Company during the FY 2018-19 which are fraudulent, illegal or violative of the Company's code of conduct.

3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4) We have indicated to the auditors and the Audit committee of:

i. significant changes in internal control over financial reporting during the year,

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Solar Industries India Limited**

Manish Nuwal
Managing Director &
Chief Executive Officer

For **Solar Industries India Limited**

Nilesh Panpaliya
Chief Financial Officer

Place: Nagpur
Date: May 09, 2019

Certificate by the Auditors on Corporate Governance

To
The Members of
Solar Industries India Limited

We have examined the compliance of conditions of Corporate Governance by Solar Industries India Limited, for the year ended on March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For and on behalf of
Akshay Rathi & Associates
Chartered Accountants

Akshay Rathi
Proprietor
M.No. 161910
Firm Registration No.139703W

Place: Nagpur
Date: May 09, 2019

To
The Members of
Solar Industries India Limited

Subject: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We, Joshi Pahade & Associates, Practicing Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Solar Industries India Limited (CIN: L74999MH1995PLC085878) having its Registered Office at "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India (the Company) as required to be maintained, under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2019.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

Sr. No.	Name of the Director	Designation	DIN
1	Shri Satyanarayan Nuwal	Chairman & Executive Director	00713547
2	Shri Kailashchandra Nuwal	Vice-Chairman & Executive Director	00374378
3	Shri Manish Nuwal	Managing Director & CEO	00164388
4	Shri Anil Kumar Jain	Executive Director	03532932
5	Shri Suresh Menon	Executive Director	07104090
6	Shri Anant Sagar Awasthi	Non-Executive Independent Director	00228429
7	Shri Dilip Patel	Non-Executive Independent Director	00013150
8	Shri Amrendra Verma	Non-Executive Independent Director	00236108
9	Shri Ajai Nigam	Non-Executive Independent Director	02820173
10	Smt. Madhu Vij	Non-Executive Independent Director	00025006

For and on behalf of
Joshi Pahade & Associates
Company Secretaries

Tushar Pahade
Partner
M.No. FCS 7784
CP No. 8576

Place: Nagpur
Date: May 09, 2019

Business Responsibility Report

Our Value Building Journey:

Solar follows sustainable development practices which reaffirm its commitment towards environmental excellence and highest safety standards in all operations. We aspire to lead the way in building a sustainable eco-system where every action taken on behalf of Solar is a testimony of responsibility and commitment towards People, Planet and Profit, without compromising one for the other. Solar takes pride in giving back to the community with programs spanning across education, healthcare, public welfare, rural development and environment protection for the betterment of the Community.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34 (2) (f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015.

Section A

General Information about the Company

Sr. No.	Questions	Company Information
1	Corporate Identity Number(CIN) of the Company	L74999MH1995PLC085878
2	Name of the Company	Solar Industries India Limited
3	Registered address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023.
4	Website	www.solargroup.com
5	E-mail id	brr@solargroup.com
6	Financial Year reported	April 1, 2018 to March 31, 2019.
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Industrial Explosives, Initiating Systems and Ammunition (20292)
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	• Industrial Explosives (Bulk + Large & Small Dia. Explosives) • Detonating Fuse • Electric and Non-Electric Detonators Please refer to company's website (www.solargroup.com) for complete details of the products.
9	Total number of locations where business activity is undertaken by the Company	i) **International Locations:** Solar through its subsidiaries has operations in Zambia, Nigeria, Turkey, South Africa. ii) **National Locations:** Solar's domestic manufacturing units are located in the 8 states viz. Maharashtra, Chhattisgarh, Madhya Pradesh, Jharkhand, Odisha, Telangana, Rajasthan and West Bengal.
10	Markets served by the Company	Solar's products have a national presence and several products are exported.

Section B

Financial Details of the Company

Sr. No.	Questions	Company Information
1	Paid up Capital as on March 31, 2019	90490055 Equity shares of ₹ 2/- each amounting ₹ 18.09 Crore
2	Total Turnover (including other income)	₹ 1684.44 Crore
3	Profit After Tax	₹ 191.47 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	The Company has spent ₹4.05 Crores towards CSR activities during the current reporting year which is 2.11% of Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred	The initiatives undertaken by the Company are in line with the eligible areas as listed under Schedule – VII of the Companies Act, 2013. Please refer CSR report annexed to the Board's Report.

Section C

Other Details

i. **Does the Company have any Subsidiary Company/Companies?**

The Company has 6 (Six) wholly owned Subsidiaries and 14 (Fourteen) Step down subsidiaries as on the date of report.

ii. **Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary Company (s) :**

Yes. One of its subsidiary company Economic Explosives Limited participates in Business Responsibility initiatives along with Solar Industries India Limited.

iii. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility (BR) Initiatives of the Company ?**

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

Section D

Business Responsibility Information

i. **Details of Director/Directors responsible for BR:**

a) Details of Director/Directors responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Company Information
1	DIN	00164388
2	Name	Shri Manish Nuwal
3	Designation	Managing Director and Chief Executive Officer

b) Details of the BR head:

Sr. No.	Particulars	Company Information
1	Name	Mrs. Khushboo Pasari
2	Designation	Company Secretary & Compliance Officer
3	Telephone Number	(+91) 0712-6634556
4	Email id	cs@solargroup.com brr@solargroup.com

Business Responsibility Policies and Guidelines:

The Company has aligned its policies and guidelines with the principles enunciated under the Business Responsibility Reporting framework on social, environmental and economic responsibilities of business. The context of the BR principles is embodied in the Policies and Code of Conduct adopted by the Company, implementation of which is ensured through well-established systems and processes.

Company has made a BRR Manual briefing on each principle of NVG guidelines. The manual has the policies framed under each principle and the details of the activities which the Company conducts or can conduct as its Business Responsibility initiatives.

ii. Principle-wise (as per NVGs) BR policy/policies:

Details of compliance (Reply in Y - Yes/ N- No)

Principle-wise as per National Voluntary Guidelines (NVGs)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with management of the Company and are approved by the Board.								
3.	Does the policy confirm to any national/ international standards? if yes, specify?	The policies are based on NVG, in addition to conformance to the spirit of international standards like ISO 9001:2015 and ISO 14001:2015, OHSAS 18001:2007.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes all the Policies have been approved by the Board. These policies have been signed by the Managing Director & CEO or appropriate member of the Board.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online.	Refer table below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal stakeholders. For external stakeholders all the policies are available at company's website at: www.solargroup.com The BR Policies are communicated through this report too.								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Sustainability Compliance Review Committee (SCRC) of the Corporate Social Responsibility is responsible for the implementation of Solar's BRR policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievance or feedback can be sent to brr@solargroup.com Sustainability Compliance & Review Committee (SCRC) and Corporate Social Responsibility Committee are responsible for addressing stakeholders concerns related to Business Responsibility policies.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The Company internally carried out evaluation of the working of BRR cum sustainability policies by its Subcommittee – Sustainability Compliance & Review Committee (SCRC).								

Solar's Policies Aligned with Business Responsibility Principles:

Principle	Business Responsibility Principles	Relevant Policies	Link
1	Ethics, Transparency and Accountability	a. Code of Conduct b. Whistle Blower Policy c. Anti Bribery Policy	https://reports.solargroup.com/COC_BOD_SMP.pdf https://reports.solargroup.com/WBP.pdf https://reports.solargroup.com/POACAB.pdf
2	Products Life-cycle Sustainability	Policy on Product responsibility and Life-cycle Sustainability	https://reports.solargroup.com/POLCS.pdf
3	Employees' Well-Being	Policy on Employee Well-Being.	https://reports.solargroup.com/POEW.pdf
4	Stakeholder Engagement	Policy on Stakeholder Engagement	https://reports.solargroup.com/POSE.pdf
5	Human Rights	Policy on Human Rights	https://reports.solargroup.com/POHR.pdf
6	Environment	Policy on Environment, Health and Safety	https://reports.solargroup.com/POEHAS.pdf
7	Policy advocacy	Policy on Responsible advocacy	https://reports.solargroup.com/PORA.pdf
8	Inclusive Growth and Equitable Development	Policy on Corporate Social Responsibility	https://reports.solargroup.com/PCSR.pdf
9	Customer value	Policy on Responsibility towards Customers and their Engagement	https://reports.solargroup.com/CSSAM.pdf

iii. Governance related to Business Responsibility (BR)

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/ programmes/activities to be undertaken in the field of CSR.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :**

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at www.solargroup.com.

Section E

Principle Wise Performance

Principle 1: Ethics, Transparency And Accountability
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Ethics and integrity is at the very heart of the work culture at Solar. Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community.

Solar believes that since we employ societal and environmental resources, our governance processes must ensure that they are utilized in a manner that meets stakeholders' aspirations and societal expectations.

We follow a "Code of Conduct" with the underlying philosophy of conducting our business in an ethical manner as enshrined by our values and beliefs. This helps in creating a work environment that is conducive to our employees and our associates. The Code sets out the guidelines to be followed by each member of the solar group.

Our Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behavior, suspected fraud or irregularity in the Company practices.

The Solar's Code of Conduct as well as the Vigil Mechanism and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organisation.

Solar is committed to conduct business with integrity and ensuring adherence to all laws and regulations and achieving highest standards of Corporate Governance. The Company has set the highest standards in transparency to not just maintain but also grow the confidence of all its stakeholders.

Information with reference to BRR Framework:

1) Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   i. The Company is committed to adhere to the good standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', and the 'Policy on Anti-Bribery' which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company.

   ii. The Company has strict code of conduct to prevent insider trading and ensure integrity. There are standard communications given to all the insiders before the Board Meeting that communicates the prohibited time period when they should not trade in the Company's securities.

   iii. The Company has a Whistle Blower Policy which is fundamental to the Company's professional integrity.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints relating to ethics, bribery and corruption were received during the FY 2018-19.

Principle 2: Product Life Cycle Sustainability
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Our robust commitment to ensure compliance with relevant standards of health and safety commences at the initial stage, wherein appropriate health and safety elements across manufacturing, delivery and consumption are identified and evaluated.

Creating sustainable products is a part of SIIL's endeavor towards responsible product stewardship. The company aims to make its products more safe and environment friendly.

Information with reference to BRR framework:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Microdet: This is the trade name of the product developed at Economic Explosives Limited. It is basically a electronic detonator used for initiating detonator sensitive explosives. The advantages of Electronic Detonator over the conventional electric or non-electric detonator used in the mining industry are:

      i) higher precision
      ii) improved blasting results owing to wide range of delays
      iii) reduction in air blast/ground vibration
      iv) safe use in extraneous electric environments
      v) possibility of limiting the amount of detonators per shot.

   (b) Ultrasafe Detonator:

   This product is another development in our initiating explosives range of products. It belongs to the electric initiating explosives group. It has the following advantages:

      i) The normal aluminum electric detonator has Lead Styphnate as one of its explosive components. This chemical is highly sensitive to discharge of static electricity. Also manufacturing of this chemical in the plant creates environmental problems from the effluent generated during manufacture which intern results in reduction of power in the treatment of waste water and recovers water for process utilisation. In Ultrasafe detonator this chemical has been eliminated and replaced by another chemical which does not have the drawbacks of Lead Styphnate.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   i) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The power consumption per ton of explosives has been reduced from 45 units to 27 units in 2 years by the incorporation and improvement of process resulting elimination of Chillers from the product line. This has drastically reduced the power consumption from one of the Product called Emulsion.

   We have zero liquid discharge compliant plants and all the ETP and STP water is recycled and made useful for gardening and steam boilers. All the condensate water recovered from the steam line traps is transferred back to the boiler for reuse. This is resulting considerable amount of reduction of water consumption and heat energy.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainability? Also, provide details thereof, in about 50 words or so.

   Sustainable sourcing at SIIL represents contribution to the Energy management, Environment responsibility, Occupational Health & safety and Social networking. The company has ISO 14001 to cover the environmental management system to effectively manage its activities like manufacturing, storage and use of explosives and chemicals. To improve the protection of human health working inside the factory as well nearby areas SIIL has adopted the approach of OHSAS 18001.

   Company has incorporated many materials handling equipment's to reduce the load of work force and utilize their energy in the development of the process and productivity.

   The product is designed in such a manner that after use there should not be any effect on environment. Products are tested from their environmental aspects by the authorized scientific laboratories and only after clearance the products are used in the mines.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The company encourages the procurement of goods and services from local and small producers surrounding its plant locations.

   Our contractors, who are engaged in operation and other works of plants mostly employee workmen from the nearby the villages. Company is also committed to improve the vendors OHSAS requirements across all its plant locations. Some of the vendors specifically developed their process to suit our requirements and used in the process specially packaging materials. SIIL distribute lots of works to the local vendors for its developments and we have better experience in getting in time supply.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10 %). Also, provide details thereof, in about 50 words or so.

   The Company has policy to minimize generation of waste from the processes. We have mechanism to separate explosives and non-explosives waste in the process. SIIL is recycling most of the useful wastes and all others are destroyed being explosives in nature. Company uses bi-products for making useful raw materials to be used in process of other products.

   We follow the guidelines of Explosives Rules, 2008 and Authorisation for disposal of wastes to the Common Hazardous Waste Treatment, Storage and Disposal facility as approved by Maharashtra Pollution Control Board.

Principle 3: Employee's Well-Being

Businesses should promote the well-being of all employees.

Employee well-being and maintaining the work-life balance requirements has been of paramount significance to solar. Policy on 'Employee Well-Being', which also covers 'Diversity and Equal Opportunity', 'Freedom of Association', among others, guide the management approach on specific elements of the Company's work practices. The Company is an equal opportunity employer and makes employment decisions based on merit and business needs.

Information with reference to BRR framework:

Sr. No.	Questions	Information
1	Total number of employees	2080
2	Total number of employees hired on temporary/ contractual/ casual basis	3974
3	Total number of permanent women employees	62
4	Total number of permanent employees with disabilities	7
5	Do you have any Employees association that is recognized by the management	There is one employees association that is recognized by the management as well as Industrial Court. Solar respects the rights of employees to free Association and representation.
6	What percentage of your permanent employees is members of this recognized employee association?	Almost, all the workers are members of the recognised employee associations (unions).

7. Details of complaints filed during the Financial Year are as follows:

Sr. No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial Year
1	Child labour/ forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety being one of the core values for which the Company is committed to. Company's management believes that providing safe work place is their key responsibility. We make sure that our premises, operations and systems are safe. The Company's safety policies cover all the manufacturing locations, R & D, magazines and office buildings.

The Company has been accredited OHSAS-18001:2007 & ISO 14001:2015 by DNV-GL and audits have been conducted internally by trained lead auditor as well as by external auditors of certification agency. Employee training and development is an essential element of Solar's strategy. During FY 2018-19 the Company provided safety & skill up-gradation training to almost 90% of the concerned employees including casual employees, employees with disabilities who required the same. Solar has imparted 55892 man hours of training in its work place.

Principle 4: Stakeholders Engagement

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Stakeholder engagement helps your Company in decision making, in delivering Solar commitments, in strengthening relationships and succeeding in the business.

Information with reference to BRR framework:

1. Has the company mapped its internal and external stakeholders?

We have mapped our internal and external stakeholders in a structured way and carry out engagements with them on a regular and ongoing basis. Regular engagement and transparency in action, we believe, builds trust and trust nurtures relationships.

Our key stakeholders are: Employees, Shareholders & Investors, Business Partners, Consumers and Community.

Sr. No.	Stakeholder	Nature	Medium of Engagement
1	Government and regulatory authorities	External	• Industry Bodies/Forums
2	Employees	Internal	• Sharing information via the Intranet, emails and other methods • Conferences with employee groups • Meetings, Training
3	Customers	External	• Customer Satisfaction Feed backs, Survey, etc.
4	Suppliers	External	• Dialogue through day-to-day business activities • Conferences and meetings • Plant visits
5	Society and Local Community	External	• Visits, programs, camps
6	Investors and shareholders	External	• Annual General Meeting • Investor meets and Annual report • Financial Results briefings

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Solar has taken the path of inclusive development to address the societal issues and engage the disadvantaged, vulnerable and marginalized stakeholders. As Solar is always ahead in implementing various initiatives for the development and progress of Vulnerable, down trodden & marginalized section of the society. For this engage these people as and where possible. We have already engaged some employees in our Company who are handicapped. We are planning to engage these type of people in society in future also.

Principle 5: Human Rights

Businesses should respect and promote human rights.

Respecting human rights is fundamental to our values, policies and business strategy. We equally focus on building awareness around promotion of human rights. The organization maintains engaging and transparent relations with all its members, associates and any related Associations. The organisation has well entrenched guideline led policies and practices to address and redress grievances of any nature.

Information with reference to BRR framework:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGO/Others?

The policy is applicable to Solar and its subsidiaries. Solar's Human Rights policy covers the guidelines on Right to Equality, Freedom, Cultural and Educational rights and it's applicable to all members of Solar group.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

There have been no cases of discrimination & Human right breaches during the reporting period.

Principle 6: Environment

Businesses should respect, protect, and make efforts to restore the environment.

Information with reference to BRR framework:

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGO /others.

We have a Safety, Health and Environment Policy in place and initiative actions to protect environment in all our manufacturing processes. This policy is applicable to all its manufacturing locations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

   Yes. The Company undertake all the desired initiatives on continuous basis to mitigate the impact on Climate Change and Global Warming as a result of our operations and products throughout their life cycle. The Company takes conscious efforts not only to minimise emissions by undertaking various initiatives & implementing innovative technologies across our operations but also to reduce, reuse, recycle and reclaim vital resources.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, Aspect/ Impact study of all the process have been done to assess the potential environmental risk and controlled measures has been provided for all individual plants. The Hazard Identification & Risk Assessment /HAZOP studies have been conducted to identify the process operation risks. The CFD modelling for hazardous chemicals storage installation has also been done. The company has been certified by the DNV GL for Environment Management System – ISO 14001:2015.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The company follows the principle of zero liquid discharge (ZLD) outside the premises and recycling effluents and sewage effluent water. The recycled water is used only after getting desired properties of treatments.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Solar Industries not only respects the ecosystem it operates it but also works consistently towards conserving it. The Company has adopted eco-friendly technologies across its various operational processes. Some of the initiatives undertaken for environmental preservation are highlighted below:

   i. Hazardous waste generated by the company is within the permissible limit and it is being disposed by sending to CHWTSDF Maharashtra Enviro Power Limited, Butibori which is a government authorized treatment plant.

   ii. Energy & water conservations. Rain harvesting facilities.

   iii. Reduction of hazardous & non-hazardous waste through process improvement.

   iv. Consent to operate granted by MPCB under Water, Air and Authorisation of Hazardous Waste (Management & Handling and Transboundary Movement) Rules and dully renewed up to June 30, 2021.

   v. Environmental monitoring conducted by M/s Earth care laboratories quarterly for waste water, drinking water, stack and ambient air/noise.

   vi. EIA study conducted by Anacon Laboratories, Nagpur and submitted to MoEF. Environmental Clearance granted for the expansion in existing and proposed products.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

   Hazardous waste generated by the company is within the permissible limit given by CPCB/SPCB during the financial year 2018-19.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as an end of Financial Year.

   There are no show cause notices from either CPCB/SPCB in the reporting period.

Principle 7: Responsible Advocacy
Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Information with reference to BRR framework:

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   a. SAFEX International

   b. International Society of Explosive Engineers

   c. Explosive Manufacturers Welfare Association

   d. Vidharba Chambers of Commerce

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   No.

Principle 8: Inclusive Growth
Businesses should support inclusive growth and equitable development.

For growth to be responsible, it should go beyond numbers. It should do good to the society, create a better world. That's the kind of growth that Solar believes in, and constantly strives for. Our stated purpose is to "Make a Difference and adding Value". A firm has to work closely with its ecosystem to create a sustainable & inclusive growth for all.

Information with reference to BRR framework:

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   It's our continuous endeavor to integrate sustainability considerations in all our business decisions. Solar's CSR initiatives can be grouped in.

   Yes, the major areas in which initiative/ projects undertaken are given below:

   A. Heath care & Hygiene

   B. Education

   C. Environment Sustainability

   D. Rural Development

   The details of CSR initiatives undertaken by your company are set out in Annexure 'D' of Director's Report.

2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures / any other organization?

   Solar collaborates with Government bodies, NGOs and donating agencies to implement community initiatives in the thematic areas of Healthcare, education, Rural Development, environment, Improvement of Social Infrastructures and contribution to the fund recognised by government.

3. Have you done any impact assessment of your initiative?

   Yes, The Company has assessed at some of its previous year's initiatives.

4. What is your company's direct contribution to community development projects Amount in Rupees and the details of the projects undertaken?

   An amount of ₹ 4.05 Crores was spent towards various CSR projects during the Financial Year 2018-19 benefitting many people.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and benefits accrued to the Community. Internal tracking mechanisms, monthly reports and follow-up field visits, telephonic and email communications are regularly carried out.

Principle 9: Customer Value
Businesses should engage with and provide value to their customers in a responsible manner.

It is the responsibility of the organisation to provide products that satisfactorily meet the customer requirements. Solar has a customer - centric approach.

Information with reference to BRR framework:

1. What percentage of customer complaints/ consumer cases is pending as on the end of Financial Year?

   Company received 22 complaints during the year which were resolved as at the end of the Financial Year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)

   Solar adheres to all compliance of product information and product labeling.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.

   There are no cases filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior. There is one case pending in Supreme Court on Bid rigging filed by the commission against the order of the Appellate commission. This pertains to the Case filed by Coal India Ltd. on 10 manufacturers for bid rigging during the year 2010-11.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Customer Satisfaction is significant to Solar as it ensures the its overall reputation and brand promise in the geographies it operates in. The Company carries out consumer survey/ consumer satisfaction trends through a feedback form.

Independent Auditor's Report

To the Members of **Solar Industries India Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition (as described in note 2.2 (j) of the standalone Ind AS financial statements)</td></tr>
<tr><td>Revenue from sale of goods is recognized as outlined in note 18 of the financial statement.

The Company estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales of the period.

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.

As at March 31, 2019, the Company is carrying a powder factor provision of ₹19.29 crores.</td><td>Our audit procedures include the following:

• We evaluated the revenue recognition accounting policies.
• We obtained an understanding of management's internal controls over the estimation of powder factor.
• We read the agreement with customers for validating terms relating to powder factor.
• We assessed the key assumptions made by the management in estimating powder factor provisions.
• We verified the sales register to trace the quantity supplied and to verify the arithmetical accuracy of powder factor provision.
• We evaluated the historical trend against the actual powder factor deduction.
• We assessed the disclosures made in the financial statements.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Carrying value of trade receivables (as described in note 2.2 i (4) of the standalone Ind AS financial statements)	
As at March 31, 2019, trade receivables constitutes approximately 14% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates which is also outlined in note 2.2 C (iv) of the financial statement. This is a key audit matter as significant judgement is involved to establish the provision matrix. The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in Notes 7 to the financial statements.	Our audit procedures include the following: • We evaluated management's assumption and judgment involved in estimating recoverability. • We evaluated management's continuous assessment of the assumptions used in the impairment assessment which includes the historical default rates and business environment in which the entity operates. • We assessed the disclosures made in the financial statements.
Receivables under Package Scheme of Incentives 2007 (PSI)	
The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra. Management is yet to file the claim with the department for the incentives under GST period. Total outstanding receivable of PSI incentive as at March 31, 2019 is ₹82.84 crores. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amount.	Our audit procedures include the following: • Read the PSI scheme and evaluated the eligibility of the Company to claim incentives. • Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Company's eligibility of PSI incentive. • We evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed. • Read the correspondences with the government department relating to incentive claims filed by the Company.

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 system 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS 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, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm registration
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910

Place : Nagpur
Date : May 9, 2019

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place : Nagpur
Date : May 9, 2019

Annexure 1

referred to in paragraph 1 to Report on Other Legal and Regulatory Requirements of our report of even date

Solar Industries India Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(b) All property, plant & equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to four companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/ to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans/ guarantees which are in compliance to the provision of section 186 of the Companies Act 2013.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of industrial explosives and explosive initiating devices, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service Tax and cess on account of any dispute, are as follows:

Nature of statue	Nature of the dues	Amount under dispute not deposited (₹ in Crores)	Amount deposited under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.01	-	2004-2005	Supreme Court
Central Excise Act, 1944	Demand of excise duty (including penalty)	5.24	0.20	2000-2017	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.15	-	2005-2017	Commissionarate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.10	0.09	2011-2016	High Court
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of sales tax and VAT	0.43	0.04	2008-2014	Tribunal
State Sales Tax Act	Demand of VAT	0.43	0.07	2013-2016	High Court

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any loans or borrowings from any government or debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments, but has raised money by way of term loan which was applied for the purpose for which it was raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm registration
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910

Place : Nagpur
Date : May 9, 2019

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place : Nagpur
Date : May 9, 2019

Annexure 2

to the Independent Auditor's Report of Even Date on the Standalone Ind AS Financial Statements of Solar Industries India Limited

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

We have audited the internal financial controls over financial reporting of Solar Industries India Limited ("the Company") as of March 31, 2019 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. 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 over financial reporting with reference to these standalone Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS 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 Over Financial Reporting With Reference to these standalone Ind AS financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm registration
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910

Place : Nagpur
Date : May 9, 2019

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place : Nagpur
Date : May 9, 2019

Balance Sheet as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	468.24	419.71
Capital work in progress	3A	73.89	34.56
Intangible assets	3B	2.10	0.47
Financial assets			
Investments	4	62.10	57.67
Loans	5	175.48	167.88
Other financial assets	6	7.73	21.05
Current tax assets (net)		6.11	3.95
Other non-current assets	9	9.60	8.93
Total non-current assets		**805.25**	**714.22**
Current assets			
Inventories	10	93.57	90.66
Financial assets			
Investments	4	30.08	7.85
Trade receivables	7	185.49	157.64
Cash and cash equivalents	8	19.94	4.04
Bank balances other than cash and cash equivalents	8	7.37	5.90
Loans	5	38.32	52.95
Other financial assets	6	80.38	40.56
Other current assets	9	31.23	25.41
Total current assets		**486.38**	**385.01**
Non-current assets classified as held for sale	3A	0.53	1.60
Total assets		**1,292.16**	**1,100.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	866.95	741.11
Total equity		**885.05**	**759.21**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	36.89	75.22
Deferred tax liabilities (net)	14	91.00	81.74
Total non-current liabilities		**127.89**	**156.96**
Current liabilities			
Financial liabilities			
Borrowings	13	45.22	21.26
Trade payables	15		
a) total outstanding dues to micro enterprises and small enterprises		3.24	3.96
b) total outstanding dues to creditors other than micro enterprises and small enterprises		83.03	55.31
Other financial liabilities	16	127.90	81.09
Current tax liabilities (net)		1.82	-
Other current liabilities	17	14.55	20.48
Provisions	17a	3.46	2.56
Total current liabilities		**279.22**	**184.66**
Total liabilities		**407.11**	**341.62**
Total equity and liabilities		**1,292.16**	**1,100.83**
Summary of significant accounting policies	2.2		

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration
Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	18	1,663.22	1,305.35
Other income	19	21.22	18.23
Total income		**1,684.44**	**1,323.58**
Expenses			
Cost of materials consumed	20	968.99	750.02
Purchases of stock-in-trade		92.77	91.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	13.92	(19.46)
Excise duty		-	32.08
Employee benefit expense	22	91.12	77.70
Finance costs	23	11.92	14.23
Depreciation and amortization expense	24	28.93	26.09
Other expenses	25	183.25	146.11
Total expenses		**1,390.90**	**1,118.16**
Profit before Exceptional items & tax		**293.54**	**205.42**
Exceptional items (net)	36	(6.05)	-
Profit before tax		**287.49**	**205.42**
Tax expense :			
- Current tax		88.77	57.00
- Adjustment of tax relating to earlier periods		(2.11)	0.01
- Deferred tax		9.36	14.15
Total tax expense	14	**96.02**	**71.16**
Profit for the year		**191.47**	**134.26**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on defined benefit plans		0.09	(1.59)
Income tax effect		(0.03)	0.55
		0.06	**(1.04)**
Items that will be reclassified to profit or loss			
Net movement on Cash Flow Hedge Reserve		(0.37)	0.04
Income tax effect		0.13	(0.02)
		(0.24)	**0.02**
Total Other comprehensive income/ (loss) for the year, net of tax		**(0.18)**	**(1.02)**
Total comprehensive income for the year		**191.29**	**133.24**
Earnings per equity share			
Basic and Diluted earnings per share	26	21.16	14.84
Summary of significant accounting policies	2.2		

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

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DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	287.49	205.42
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	28.93	26.09
Net gain on disposal of property, plant and equipment	(0.05)	(0.09)
Net gain on financial assets mandatorily measured at fair value through profit and loss	-	(0.27)
Profit on sale of financial assets carried at fair value through profit and loss	(1.91)	(1.78)
Dividend and interest income	(15.34)	(11.65)
Finance costs	11.92	14.23
Impairment loss on trade receivable	4.82	(0.29)
Bad debts written off	3.70	6.47
Loans and advances written off	0.16	2.67
Fair value changes on derivatives not designated as hedges	6.02	(0.12)
Net foreign exchange differences	9.16	(3.71)
Exceptional item (net)	6.05	-
Operating profit before working capital changes	**340.93**	**236.97**
Working capital adjustments :		
Decrease/ (Increase) in trade receivables	(38.87)	30.38
(Increase) in inventories	(2.91)	(12.83)
Increase in trade payables	27.00	7.88
(Increase) in other financial assets (excluding derivatives)	(23.24)	(5.56)
(Increase)/ Decrease in other assets (current and non current)	(5.92)	5.13
(Decrease)/ Increase in other current liabilities	(5.94)	2.35
Increase/ (Decrease) in provisions	0.98	(0.42)
Increase in other financial liabilities (excluding derivatives)	4.74	7.65
Cash generated from operations	**296.77**	**271.55**
Less : Income taxes paid	87.00	58.80
Net cash flows from operating activities	**209.77**	**212.75**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(116.40)	(66.90)
Proceeds from sale of property, plant and equipment	2.30	1.55
Loan given to related parties	(459.38)	(806.82)
Loan recovered from related parties	462.72	800.13
Loans given to related party non current	(78.03)	(65.62)
Loans recovered from others	75.67	13.35
Proceeds from (Purchase)/ sale of non-current investments	(4.86)	0.29
Proceeds from (Purchase)/ sale of current investments	(19.88)	38.74
Investment in fixed deposits	(1.47)	(4.39)
Dividend and interest income received	10.11	11.41
Net cash flows from/ (used in) investing activities	**(129.22)**	**(78.26)**
Cash flows from financing activities		
Proceeds from non-current borrowings	97.34	50.04
Repayment of non-current borrowings	(108.23)	(66.30)
Proceeds from/ (Repayment of) current borrowings	23.49	(75.91)
Interest paid	(11.79)	(13.80)
Dividends paid to company's shareholders	(54.29)	(27.15)
Dividend distribution tax	(11.16)	(5.52)
Net cash flows from/ (used in) financing activities	**(64.65)**	**(138.64)**
Net increase / (decrease) in cash and cash equivalents	**15.90**	**(4.15)**
Add:-Cash and cash equivalents at the beginning of the year	4.04	8.19
Cash and cash equivalents at end of the year (refer note 8)	**19.94**	**4.04**

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Changes in Liabilities Arising from Financing Activities

Particulars	March 31, 2018	Cash flows	Foreign exchange management	March 31, 2019
Current borrowings	21.26	23.49	0.47	45.22
Non-current borrowings	130.84	(10.90)	6.15	126.09
Total liabilities from financing activities	**152.10**	**12.59**	**6.62**	**171.31**

Particulars	March 31, 2017	Cash flows	Foreign exchange management	March 31, 2018
Current borrowings	96.72	(75.91)	0.45	21.26
Non-current borrowings	149.09	(16.27)	(1.98)	130.84
Total liabilities from financing activities	**245.81**	**(92.18)**	**(1.53)**	**152.10**

Summary of significant accounting policies (refer note 2.2)

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

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration
Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
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per **Pramod Kumar Bapna**
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DIN: 00713547

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Managing Director &
CEO
DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

	No of Shares	Amount
As at April 1, 2017 (Equity Shares of ₹ 10 each issued, subscribed and fully paid)	90,490,055	18.10
As at March 31, 2018 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	90,490,055	18.10
As at March 31, 2019 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	90,490,055	18.10

B. Other Equity

	Reserves and surplus				Cash flow hedge reserve (Note 11A)	Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)		
Balance as at April 1, 2017	**149.13**	**240.51**	**4.29**	**246.61**	**-**	**640.54**
Profit for the year	-	134.26	-	-	-	134.26
Transfer from retained earnings	-	-	-	45.00	-	45.00
Transfer to General reserve	-	(45.00)	-	-	-	(45.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges					0.02	0.02
Remeasurement loss on defined benefit plans	-	(1.04)	-	-	-	(1.04)
Transactions with owners :						
Dividend paid	-	(27.15)	-	-	-	(27.15)
Dividend distribution tax paid	-	(5.52)	-	-	-	(5.52)
Balance as at March 31, 2018	**149.13**	**296.06**	**4.29**	**291.61**	**0.02**	**741.11**
Balance as at April 1, 2018	**149.13**	**296.06**	**4.29**	**291.61**	**0.02**	**741.11**
Profit for the year	-	191.47	-	-	-	191.47
Transfer from retained earnings	-	-	-	60.00	-	60.00
Transfer to General reserve	-	(60.00)	-	-	-	(60.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges	-	-	-	-	(0.24)	(0.24)
Remeasurement loss on defined benefit plans	-	0.06	-	-	-	0.06
Transactions with owners :						
Dividend paid	-	(54.29)	-	-	-	(54.29)
Dividend distribution tax paid	-	(11.16)	-	-	-	(11.16)
Balance as at March 31, 2019	**149.13**	**362.14**	**4.29**	**351.61**	**(0.22)**	**866.95**

As per our report of even date attached

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Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 1. Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2. Basis of preparation and Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

New and amended standards adopted by the Company

The company has adopted the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

Ind AS 115, Revenue from Contracts with Customers
Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
Appendix B. Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
Amendment to Ind AS 12, Income Tax
Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interest in Other Entities

The management has evaluated and concluded that the adoption of these amendments does not have any material impact on the financial statements.

Further, the application of Ind AS 115 did not have any material impact on recognition and measurement principles related to revenue recognition of the Company. However, it results in additional presentation and disclosure requirements for the company. The Company has updated presentation and disclosures in accordance with Ind AS 115 in the financial statements (also read with Note 35 to the financial statement).

2.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements, in conformity with Ind AS, requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the end of the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of 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. 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 recognized 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 recognized in profit or loss as incurred.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Product related intangibles is 4 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Company's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Property , Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 25	15 to 20
Electrical installations and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	8 to 10	10
Vehicles (including Pump Trucks)	8 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6
Leasehold land	Over lease period	Over lease period

Assets.	Company's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology)	10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment and intangible 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. 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 the Company'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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth

Notes to Standalone Financial Statements

for the year ended March 31, 2019

rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI 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 Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f. Finance costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

Where the Company is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost, less impairment loss (if any) as per Ind AS 27. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

i. Financial instruments: -

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

B. Equity instruments:

The Company measures its equity investment other than in subsidiaries and associates at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortized cost

Measurement

A. Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

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,

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for the year ended March 31, 2019

adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

3. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and 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) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-120 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of

Notes to Standalone Financial Statements

for the year ended March 31, 2019

variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. **Variable consideration**

   If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

   - **Volume rebates and discounts**

     The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

   - **Powder Factor**

     The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

2. **Significant financing component**

   In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

   Hence, there is no financing component which needs to be separated.

b. Sale of projects:

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

c. Interest Income:

Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

d. Dividend:

Revenue is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.2 (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy has been considered as revenue grant and the same has been recognized in the statement of profit and loss.

l. Foreign currencies Transactions and Translation

i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), which is also its functional currency.

ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

m. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under the Company Gratuity Scheme. The cost of providing benefit under the gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Re-measurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled

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for the year ended March 31, 2019

to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expenses

Tax expense comprises of current tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company 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 Company does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(ii) Segment accounting policies

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the 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 Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the Company has disclosed segment information only on basis of the consolidated financial statements which are presented together along with the standalone financial statements.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted

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average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant

Notes to Standalone Financial Statements

for the year ended March 31, 2019

changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset ,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Expenditure on research and development eligible for capitalization are carried as Capital Work-in-Progress where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The depreciation period and the depreciation method for intangible assets with a finite useful life are reviewed at each reporting date.

y. Significant accounting estimates and assumptions

The preparation of the 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.

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

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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 utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Powder factor deductions

The Company estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 (PSI)

The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002.

From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra.

Recent accounting pronouncements

Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Solar Industries India Limited ("Company") financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto and is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on –balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees-leases of "low-value" assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an

Notes to Standalone Financial Statements

for the year ended March 31, 2019

asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of –use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after April 1, 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company will adopt Ind AS 116 from financial year beginning April 1, 2019. On adoption, the Company expects to recognize lease liabilities with corresponding ROU assets for certain leases where the company is a lessee. The single lessee accounting model of Ind AS 116 will result in a front-loaded lease expense pattern. While the Company continues to evaluate certain aspects of Ind AS 116, it does not expect Ind AS 116 adoption to have a material effect on its financial statements.

The Company is analyzing potential changes to the current accounting practices and are in the process of implementing the same in connection with the adoption of Ind AS 116.

In addition to Ind AS 116, the MCA has also notified the following changes which are effective from financial year beginning 1 April. The Company will adopt these changes from the date effective however, the adoption of these changes is unlikely to have any impact on the financial statements:

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

Amendments to Ind AS 28: Long –term interests in associates and joint ventures

Annual Improvement to Ind AS (2018)

These Improvements include:

- Amendments to Ind AS 103 : Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111 : Joint Arrangements
- Amendments to Ind AS 12 : Income Taxes
- Amendments to Ind AS 23 : Borrowing Costs

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(All amounts in ₹ Crores, unless otherwise stated)

Note 3A. Property, Plant and Equipment

	Freehold Land	Leasehold Land*	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2018								
Gross carrying amount as at April 1, 2017[1]								
Opening gross carrying amount	40.57	0.63	155.51	2.79	221.55	9.03	3.08	433.16
Additions	4.49	-	16.37	1.27	15.67	7.35	1.12	46.27
Asset held for sale (refer note 3C)	(1.60)	-	-	-	-	-	-	(1.60)
Disposals	-	-	(0.43)	-	(1.18)	(0.37)	(0.12)	(2.10)
Closing Gross Carrying Amount as at March 31, 2018	**43.46**	**0.63**	**171.45**	**4.06**	**236.04**	**16.01**	**4.08**	**475.73**
Accumulated depreciation								
Opening accumulated depreciation as at April 1, 2017	-	-	7.60	0.87	19.25	1.73	1.32	30.77
Depreciation charge for the year	-	0.03	6.18	0.48	16.91	1.62	0.67	25.89
Disposals	-	-	(0.06)	-	(0.13)	(0.33)	(0.12)	(0.64)
Closing Accumulated Depreciation as at March 31, 2018	**-**	**0.03**	**13.72**	**1.35**	**36.03**	**3.02**	**1.87**	**56.02**
Net Carrying Amount as at March 31, 2018	**43.46**	**0.60**	**157.73**	**2.71**	**200.01**	**12.99**	**2.21**	**419.71**
Year Ended March 31, 2019								
Gross carrying amount as at April 1, 2018								
Opening gross carrying amount	43.46	0.63	171.45	4.06	236.04	16.01	4.08	475.73
Additions	21.24	-	13.23	4.73	25.02	8.95	5.12	78.29
Asset held for sale (refer note 3C)	(0.06)	(0.47)	-	-	-	-	-	(0.53)
Disposals	-	-	(0.21)	(0.00)	(1.59)	(0.45)	(0.14)	(2.39)
Closing Gross Carrying Amount as at March 31, 2019	**64.64**	**0.16**	**184.47**	**8.79**	**259.47**	**24.51**	**9.06**	**551.10**
Accumulated Depreciation								
Opening accumulated depreciation as at April 1, 2018	-	0.03	13.72	1.35	36.03	3.02	1.87	56.02
Depreciation charge for the year	-	0.01	6.26	0.50	18.42	2.21	1.19	28.59
Disposals	-	-	(0.09)	(0.00)	(1.16)	(0.36)	(0.14)	(1.75)
Closing Accumulated Depreciation as at March 31, 2019	**-**	**0.04**	**19.89**	**1.85**	**53.29**	**4.87**	**2.92**	**82.86**
Net Carrying Amount as at March 31, 2019	**64.64**	**0.12**	**164.58**	**6.94**	**206.18**	**19.64**	**6.14**	**468.24**
Capital Work-in-Progress as at March 31, 2019								**73.89**
Capital Work-in-Progress as at March 31, 2018								**34.56**

[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.

* Leasehold Land is amortised over useful life for the period of 99 years (Amounting to ₹ 0.07), 95 years (Amounting to ₹ 0.08) and 89 years (Amounting to ₹ 0.48) as per agreement.

The above property, plant and equipments are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future.

The amount of borrowing costs capitalised during the year ended March 31, 2019 was ₹ 3.07 (March 31, 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.50 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 3B. Intangible assets

	Software & License	Others [2]	Total
Year ended March 31, 2018			
Gross carrying amount as at April 1, 2017[1]	0.65	-	0.65
Additions	0.01	0.29	0.30
Disposals	-	-	-
Gross carrying amount as at March 31, 2018	**0.66**	**0.29**	**0.95**
Accumulated amortization			
Accumulated amortization as at April 1, 2017	0.28	-	0.28
Amortization for the year	0.18	0.02	0.20
Accumulated amortization as at March 31, 2018	**0.46**	**0.02**	**0.48**
Net carrying amount as at March 31, 2018	**0.20**	**0.27**	**0.47**
Year ended March 31, 2019			
Gross carrying amount as at April 1, 2018	**0.66**	**0.29**	**0.95**
Additions	1.97	-	1.97
Gross carrying amount as at March 31, 2019	**2.63**	**0.29**	**2.92**
Accumulated amortization as at April 1, 2018	**0.46**	**0.02**	**0.48**
Amortization for the year	0.31	0.03	0.34
Accumulated amortization as at March 31, 2019	**0.77**	**0.05**	**0.82**
Net carrying amount as at March 31, 2019	**1.86**	**0.24**	**2.10**

[1] Gross carrying amount and accumulated amortization have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

[2] Others represents Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for India Armed Forces for limited period of 10 years.

Note 3C. Assets Classified as Held for Sale

	March 31, 2019	March 31, 2018
Freehold Land	0.06	1.60
Leasehold Land	0.47	-
Total	**0.53**	**1.60**

As at March 31, 2019, the company intended to dispose off freehold and leasehold land as it has no future plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments

Non-current Investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Economic Explosives Limited	₹ 10	4,800,000	4,800,000	14.50	14.50
Blastec India Private Limited	₹ 100	990,000	498,766	5.41	0.50
Emul Tek Private Limited	₹ 10	4,977,700	4,977,700	0.80	0.80
Solar Defence Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Overseas Mauritius Limited	$ 100	85,000	85,000	38.82	38.82
				59.63	**54.72**
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Private Limited	₹ 10	490,000	490,000	0.49	0.49
Solar Bhatgaon Extension Mines Private Limited	₹ 10	490,000	490,000	0.49	0.49
Provision for impairment				(0.98)	(0.98)
				-	-
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	110,000	110,000	0.11	0.11
				0.11	0.11
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 100,000	500	500	2.36	2.84
				2.36	**2.84**
Aggregate amount of unquoted investments				62.10	**57.67**
Aggregate amount of impairment in value of investments				(0.98)	(0.98)

Current Investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Quoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
IDFC Limited	₹ 10	10,900	10,900	0.05	0.05
Edserv Soft System Ltd.	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision	₹ 1	5,000	5,000	-	-
Sunil Hitech Engineers Limited	₹ 1	-	116,000	-	0.10
Quoted					
Investment in Mutual Funds (fully paid-up)					
HDFC Prudence Fund-Direct Plan-Growth Option	₹ 10	-	106,466	-	5.38
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	₹ 10	-	7,356	-	0.57
SBI Magnum Balanced Fund-Regular Growth	₹ 10	-	91,992	-	1.19
Kotak Balance Direct Plan Growth	₹ 10	-	219,861	-	0.56
Kotak Liquid Direct Plan Growth	₹ 10	79,339.89	-	30.03	-
				30.08	**7.85**
Aggregate amount of quoted investments and market value thereof (refer note 32)				30.08	**7.85**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 5. Loans

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (refer note 29C)	38.07	173.21	40.99	95.60
Loan to Others (refer note 36)	-	-	11.23	56.05
Security deposits	0.25	2.27	0.73	1.84
Secured, considered good				
Loan to others	-	-	-	14.39
	38.32	**175.48**	**52.95**	**167.88**

Notes:

1. Loans are non derivative financial assets which generate a fixed 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 company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

Loans to Private Companies in which the Company's Director is a Director

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Blastec (India) Private Limited	-	-	15.13	-
Emul Tek Private Limited	2.91	-	2.19	-
	2.91	**-**	**17.32**	**-**

3. Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable on demand and carry an interest at the rate of 9% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable on demand but the management does not intend to recover the same in next year, these loans carries an interest at the rate of 9% per annum.
4. Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party. The said loans carried an interest at the rate of 12% per annum whereas refer note 36 for interest rates on certain loans to others.

Note 6. Other financial assets

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Derivative Instruments at fair value through profit and loss				
Fair valuation of derivative contracts (refer note 31)	0.03	-	2.00	-
	0.03	**-**	**2.00**	**-**
Others				
State Government Incentive Receivables	75.11	7.73	37.17	21.05
Other receivables from associates (refer note 29C)	-	-	1.14	-
Claims receivable	-	-	0.01	-
Interest accrued from related party (refer note 29C)	4.93	-	-	-
Interest accrued but not due on Fixed Deposits	0.31	-	0.24	-
	80.35	**7.73**	**38.56**	**21.05**
	80.38	**7.73**	**40.56**	**21.05**

Note:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange option/forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables	135.70	120.02
Receivables from related parties (refer note 29C)	57.82	53.91
Less: Impairment allowance	(8.03)	(16.29)
Total Trade receivables	**185.49**	**157.64**

Break-up of Security Details

	March 31, 2019	March 31, 2018
Secured, considered good	8.97	6.16
Unsecured, considered good	184.48	158.05
Trade Receivables - credit impaired	0.07	9.72
	193.52	**173.93**
Impairment allowance		
Unsecured, considered good	(7.96)	(6.57)
Trade Receivables - credit impaired	(0.07)	(9.72)
	(8.03)	**(16.29)**
	185.49	**157.64**

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, except for the balances disclosed in the notes below.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Receivables from Private Companies in which the Company's Directors is a Director

	March 31, 2019	March 31, 2018
Receivables from related parties (refer note 29C)		
Emul Tek Private Limited	0.01	0.29
	0.01	**0.29**

Note 8. Cash and Bank Balances

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Balances with banks		
In current accounts	19.49	3.22
Cheques in hand	0.37	0.71
Cash in hand	0.08	0.11
	19.94	**4.04**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	5.10	0.40
Balances with Bank held as margin money against bank guarantee & other commitments	2.21	5.46
Earmarked balances with banks *	0.06	0.04
	7.37	**5.90**

*The Company can utilise this balance only towards settlement of unclaimed dividend.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 9. Other Assets

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Capital advances	-	8.72	-	7.98
Prepayments	0.51	-	1.16	-
Prepaid of leasehold property	0.03	0.88	-	0.95
Advances to suppliers for goods and services	6.69	-	7.74	-
Advances to staff	0.28	-	0.10	-
Balances with revenue authorities	23.72	-	16.41	-
	31.23	**9.60**	**25.41**	**8.93**

Note 10. Inventories

	March 31, 2019	March 31, 2018
Raw materials and packing materials (In transit of ₹ 4.78 (Previous year : ₹ 6.61))	60.86	45.05
Work-in-progress	15.20	23.38
Finished goods	4.67	5.05
Stock-in-trade (Includes stock in transit of ₹ Nil (Previous year : ₹ 5.48))	0.13	5.49
Stores and spares	11.69	10.08
Project inventory held for sale	1.02	1.61
	93.57	**90.66**

Note 11. Equity Share Capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Authorised equity share capital				
(face value ₹ 2 each)	135,000,000	135,000,000	27.00	27.00
	135,000,000	**135,000,000**	**27.00**	**27.00**
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	90,490,055	90,490,055	18.10	18.10
	90,490,055	**90,490,055**	**18.10**	**18.10**

(a) Movements in Equity Share Capital

	Number of Shares	Amount
As at March 31, 2017	**90,490,055**	**18.10**
As at March 31, 2018	90,490,055	18.10
As at March 31, 2019	**90,490,055**	**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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity Share Capital (contd..)

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Shri Manish Nuwal	27.88%	4.93%	25,232,069	4,464,301
Shri Kailashchandra Nuwal	23.08%	19.60%	20,882,963	17,739,095
Shri Satyanarayan Nuwal	14.63%	22.48%	13,239,254	20,343,695
Smt. Indira Devi Nuwal	6.15%	6.15%	5,568,230	5,568,230
Smt. Leela Devi Nuwal	Nil	5.61%	Nil	5,075,940
Smt. Sohan Devi Nuwal	Nil	5.14%	Nil	4,649,690

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

Note 11A. Other Equity

Securities Premium

As at April 1, 2017	**149.13**
Movement for the year 2017-18	-
As at March 31, 2018	**149.13**
Movement for the year 2018-19	-
As at March 31, 2019	**149.13**

Retained Earnings

As at April 1, 2017	**240.51**
Add : Profit for the year	134.26
Less :Transfer to General Reserve	(45.00)
Less : Final Dividend of FY 2016-17	(27.15)
Less : Dividend Distribution Tax (DDT) on Final Dividend	(5.52)
Less : Remeasurement loss on defined benefit plans	(1.04)
As at March 31, 2018	**296.06**
Add : Profit for the year	191.47
Less :Transfer to General Reserve	(60.00)
Add : Remeasurement loss on defined benefit plans	0.06
Less : Final Dividend of FY 2017-18	(54.29)
Less : Dividend Distribution Tax (DDT) on Final Dividend	(11.16)
As at March 31, 2019	**362.14**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other Equity (contd..)

Capital Reserve

As at April 1, 2017	**4.29**
Movement for the year	-
As at March 31, 2018	**4.29**
Movement for the year	-
As at March 31, 2019	**4.29**

General Reserve

As at April 1, 2017	**246.61**
Add : Transfer from retained earnings	45.00
As at March 31, 2018	**291.61**
Add : Transfer from retained earnings	60.00
As at March 31, 2019	**351.61**

Cash flow Hedge Reserve

As at April 1, 2017	**-**
Movement for the year	0.02
As at March 31, 2018	**0.02**
Movement for the year	(0.24)
As at March 31, 2019	**(0.22)**

Total other equity

As at April 1, 2017	**640.54**
Movement for the year	100.57
As at March 31, 2018	**741.11**
Movement for the year	125.84
As at March 31, 2019	**866.95**

Nature and Purpose of Reserves

1. Securities Premium

Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. Capital Reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

3. General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other Equity (contd..)

4. Cash Flow Hedge Reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

5. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend.

Note 11B. Distribution Made and Proposed

	March 31, 2019	March 31, 2018
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2018: ₹ 6 per share (March 31, 2017 ₹ 3 per share)	54.29	27.15
DDT on final dividend	11.16	5.52
	65.45	**32.67**
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31,2019: ₹ 7 per share (March 31, 2018: ₹ 6 per share)	63.34	54.29
DDT on proposed dividend	13.02	11.16
	76.36	**65.45**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon).

Note 12. Non-current Borrowings

	March 31, 2019	March 31, 2018
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	126.09	124.58
Indian Rupee term loan	0.00	6.26
Interest accrued but not due	-	0.38
	126.09	**131.22**
Less: Amount shown under "Other current financial liabilities" (refer note 16)		
Current maturities of long-term debt	(89.20)	(55.62)
Interest accrued but not due on non-current borrowings	-	(0.38)
	36.89	**75.22**

Note 13. Current Borrowings

	March 31, 2019	March 31, 2018
Secured - at Amortised cost		
From banks		
Foreign currency working capital loan	14.18	14.99
Buyer's credit	31.04	6.27
Interest accrued but not due	0.12	0.05
	45.34	**21.31**
Less: Amount shown under "Other current financial liabilities" (refer note 16)		
Interest accrued but not due on current borrowings	(0.12)	(0.05)
	45.22	**21.26**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Maturity date	Terms of repayment	March 31, 2019	March 31, 2018
Maturity profile of Non current Borrowings				
Secured				
Foreign currency term loan from Bank	September 28, 2018	Repayable in four equal half yearly instalment	-	6.22
Foreign currency term loan from Bank	July 9, 2018	Single repayment at the end of the term	-	16.19
Foreign currency term loan from Bank	August 31, 2021	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	49.18	-
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	23.78	44.33
Rupee Term Loan from Bank	March 31, 2020	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	-	6.26
Foreign currency term loan from Bank	August 31, 2018	Repayable in eight equal half yearly instalment	-	8.15
Foreign currency term loan from Bank	September 19, 2019	Single repayment at the end of the term	53.13	50.07
			126.09	131.22

The above foreign currency term loans from Banks carries an interest rate of LIBOR + 130 bps to 212 bps

The Indian rupee term loan from Bank carried an interest rate of 2.75% + 1 year MCLR

	Maturity date	Terms of repayment	March 31, 2019	March 31, 2018
Maturity profile of Current Borrowings				
Secured				
Foreign currency working capital loan from Bank	October 24, 2018	Single repayment at the end of the term	-	14.99
Foreign currency working capital loan from Bank	October 23, 2019	Single repayment at the end of the term	14.18	-
Buyer's credit	May 14, 2019	Single repayment at the end of the term	15.86	-
Buyer's credit	May 23, 2018	Single repayment at the end of the term	-	6.27
Buyer's credit	July 19, 2019	Single repayment at the end of the term	15.18	-
			45.22	21.26

The above foreign currency working capital loans and Buyer's credit from Banks carries an interest rate of LIBOR + 28 bps to 130 bps

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipments, both present and future, and second pari passu charge on the Company's current assets, both present and future. Working capital loans have first Pari Passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's entire property, plant and equipments, both present and future.

Loan Covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio, debt service coverage ratio (DSCR), gearing ratio & fixed asset coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans.

The other loans do not carry any debt covenants. The Company has not defaulted on any loans payable.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax Expenses

The Major Components of tax Expense for the year Ended March 31, 2019 and March 31, 2018 are :

Statement of Profit and Loss:

Profit and Loss Section

	March 31, 2019	March 31, 2018
Current income tax:		
Current income tax charge	88.77	57.00
Adjustment of tax relating to earlier periods	(2.11)	0.01
Deferred tax:		
Relating to origination and reversal of temporary differences	9.36	14.15
Tax expense reported in the statement of profit and loss	**96.02**	**71.16**

OCI Section

Deferred tax Related to Items Recognised in OCI During the Year :

	March 31, 2019	March 31, 2018
Net (loss)/ gain on Cash flow hedges	(0.13)	0.02
Net (loss)/ gain on remeasurements of defined benefit plans	0.03	(0.55)
Income tax charged to OCI	**(0.10)**	**(0.53)**

Reconciliation of tax Expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :

	March 31, 2019	March 31, 2018
Accounting profit before tax	287.49	205.42
Enacted income tax rate in India	34.944%	34.608%
Computed expected tax expense	100.46	71.09
Effect of :		
Research & Development expenditure	(3.64)	(1.20)
Corporate Social Responsibility expenditure	1.42	1.21
Donation	0.34	0.25
Others	(0.44)	(0.19)
Tax in respect of earlier years	(2.11)	0.01
Total income tax expense	**96.02**	**71.16**

Deferred Tax

Deferred Tax relates to the Following :

Balance Sheet

	March 31, 2019	March 31, 2018
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	97.07	87.87
Financial assets at fair value through profit or loss	-	0.08
Derivative Instruments at fair value through profit or loss	(1.71)	0.62
Provision for investments in associates	(0.34)	(0.34)
Provision towards trade receivables	(2.81)	(5.63)
Employee benefits	(1.21)	(0.86)
Net deferred tax (assets)/ liabilities	**91.00**	**81.74**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax Expenses (Contd...)

Statement of Profit and Loss

	March 31, 2019	March 31, 2018
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	9.20	14.05
Provision towards trade receivables	2.82	0.10
Employee benefits	(0.35)	(0.38)
Financial assets at fair value through profit or loss	(0.08)	(0.06)
Derivative Instruments at fair value through profit or loss	(2.33)	0.15
Gratuity	-	(0.24)
Remeasurement of defined benefit plans	(0.03)	0.55
Revaluation of cash flow hedges	0.13	(0.02)
Deferred tax expense/(income)	**9.36**	**14.15**

Reconciliation of Deferred Tax Liabilities (net):

	March 31, 2019	March 31, 2018
Opening balance	**81.74**	**68.12**
Tax (income)/expense during the period recognised in profit or loss	9.36	14.15
Tax (income)/expense during the period recognised in OCI	(0.10)	(0.53)
Closing balance	**91.00**	**81.74**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019 and March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 15. Trade Payables

	March 31, 2019	March 31, 2018
Current		
Trade payables		
a) total outstanding dues to micro enterprises and small enterprises	3.24	3.96
b) total outstanding dues to creditors other than micro enterprises & small enterprises	80.84	44.79
Trade payables to related parties (refer note 29C)	2.19	10.52
	86.27	**59.27**

Trade payables are non-interest bearing and are normally settled on 60-day terms

For trade payables due to Micro and Small enterprises development, refer note 37

For terms and conditions with related parties, refer note 29C

For explanations on the Company's credit risk management processes, refer note 32

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 16. Other Current Financial Liabilities

	March 31, 2019	March 31, 2018
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts (refer note 31)	4.92	0.48
	4.92	**0.48**
Other financial liabilities at amortised cost		
Current maturities of long term debt (refer note 12)	89.20	55.62
Interest accrued on non-current borrowings (refer note 12)	-	0.38
Interest accrued on current borrowings (refer note 13)	0.12	0.05
	89.32	**56.05**
Others		
Capital creditors	5.22	1.29
Employees related payable (including labour related)	11.97	10.36
Liability towards trade discounts	16.41	12.87
Unclaimed dividend	0.06	0.04
	33.66	**24.56**
	127.90	**81.09**

Note 17. Other Current Liabilities

	March 31, 2019	March 31, 2018
Statutory dues	4.57	6.67
Contract Liabilities	9.51	13.30
Other advances	0.47	0.51
	14.55	**20.48**

Note 17a. Current Provisions

	March 31, 2019	March 31, 2018
Provision for employee benefits		
Provision for gratuity	0.36	0.08
Provision for leave encashment	3.10	2.48
	3.46	**2.56**

Note 18. Revenue from Operations

	March 31, 2019	March 31, 2018
Sale of products (refer note 35)	1,610.23	1,262.62
Other operating revenues	52.99	42.73
	1,663.22	**1,305.35**

Revenue from operations for period up to June 30, 2017 includes excise duty amounting to ₹ 32.08. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid changes in indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable to the year ended March 31, 2018.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 19. Other Income

	March 31, 2019	March 31, 2018
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	13.75	9.29
from others	0.94	1.76
On deposits with bank	0.49	0.30
Profit on sale of investments carried at fair value through profit or loss	1.91	1.78
Interest received on income tax refund	-	1.07
Dividend income from equity investments designated at fair value through profit or loss	0.16	0.30
Net gain on disposal of property, plant and equipment	0.05	0.09
Net gain on financial assets mandatorily measured at fair value through profit or loss	-	0.27
Net gain on foreign currency transaction and translation	0.46	3.24
Miscellaneous Income	3.46	-
Fair value gain on derivatives (net)	-	0.13
	21.22	**18.23**

Note 20. Cost of Materials Consumed

	March 31, 2019	March 31, 2018
Raw materials and packing materials at the beginning of the year	45.05	54.12
Add: Purchases during the year	984.80	740.95
Less: Raw materials and packing materials at the end of the year	60.86	45.05
	968.99	**750.02**

Note 21. Changes in Inventories of Finished Goods, work-in-progress and stock-in-trade

	March 31, 2019	March 31, 2018
Opening balance		
Work-in progress	23.38	9.88
Finished goods	5.05	4.45
Stock-in-trade	5.49	0.13
	33.92	**14.46**
Closing balance		
Work-in progress	15.20	23.38
Finished goods	4.67	5.05
Stock-in-trade	0.13	5.49
	20.00	**33.92**
	13.92	**(19.46)**

Note 22. Employee Benefit Expense

	March 31, 2019	March 31, 2018
Salaries and wages (including bonus)	39.92	34.82
Remuneration to directors	8.90	8.70
Contribution to provident and other funds	3.28	2.72
Staff welfare expenses	1.13	1.04
Total - A	**53.23**	**47.28**
Labour charges (including bonus)	37.89	30.42
Total - B	**37.89**	**30.42**
Total expense (A+B)	**91.12**	**77.70**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 23. Finance costs

	March 31, 2019	March 31, 2018
Interest on debts and borrowings*		
To banks	9.00	13.84
To related parties	-	0.39
To Others	1.61	-
Exchange differences regarded as an adjustment to borrowing cost*	1.31	-
	11.92	**14.23**

*Net of borrowing costs capitalised (refer note 3A)

Note 24. Depreciation and Amortization Expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant & equipments (refer note 3A)	28.59	25.89
Amortization of intangible assets (refer note 3B)	0.34	0.20
	28.93	**26.09**

Note 25. Other Expenses

	March 31, 2019	March 31, 2018
Consumption of stores and spares	10.16	7.65
Repairs and maintenance :		
Plant and machinery	5.58	5.31
Buildings	1.48	2.43
Others	5.76	4.74
Water and electricity charges	22.26	16.46
Rates and taxes	1.91	2.52
Legal and professional fees	6.52	7.01
Travelling and conveyance	5.45	5.06
Sales commission expenses	4.44	6.92
Freight and forwarding charges	37.34	26.12
Transportation charges	21.93	12.64
Pump truck expenses	8.83	7.36
Security service charges	7.96	6.66
Sales promotion expenses	1.13	1.84
Donations	1.85	1.69
Advertisement expenses	0.66	0.83
Advances written off	0.16	2.17
Directors' sitting fees	0.15	0.11
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.41	-
Fair value loss on derivatives	5.59	-
Bad debts written off	3.70	6.47
Loan to others written off	-	0.50
Impairment loss on financial assets	4.82	(0.29)
Corporate Social Responsibility expenditure (refer note 25(b))	4.05	3.51
Payments to auditors (refer note 25(a))	0.82	0.60
Miscellaneous expenses (mainly includes printing, communication, postage, office expenses etc)	20.29	17.80
	183.25	**146.11**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 25(a). Details of Payments to Auditors

	March 31, 2019	March 31, 2018
Payment to auditors		
As auditor:		
Audit fee	0.48	0.38
Limited Review	0.32	0.22
In other capacities		
Certification fees	0.02	-
	0.82	**0.60**

Note 25(b). CSR Expenditure

	March 31, 2019	March 31, 2018
Gross amount required to be spent by the Company during the year	3.83	3.37
Amount spent in cash during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	4.05	3.51

Note 26. Earnings per Share (EPS)

	March 31, 2019	March 31, 2018
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	191.47	134.26
Weighted average number of equity shares for basic and diluted EPS	90,490,055	90,490,055
Basic and Diluted EPS attributable to the equity holders of the company (₹)	**21.16**	**14.84**
Nominal value of shares (₹)	**2.00**	**2.00**

Note 27. Employee Benefit Obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy . Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 29). The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognized in the balance sheet.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit Obligations (contd..)

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, 2019	March 31, 2018
Service cost	0.76	0.87
Net interest cost	0.01	(0.05)
Expenses recognized in the statement of Profit and Loss	**0.77**	**0.82**

Other Comprehensive Income

	March 31, 2019	March 31, 2018
Opening amount recognized in OCI	-	-
Actuarial gain / (loss) on liabilities	0.17	(1.62)
Actuarial gain / (loss) on assets	(0.08)	0.03
Closing amount recognized in OCI	**0.09**	**(1.59)**

The amount recognized in Balance Sheet

	March 31, 2019	March 31, 2018
Present value of funded obligations	9.21	8.11
Fair value of plan assets	8.85	8.03
Net defined benefit liability / (assets) recognized in balance sheet	**0.36**	**0.08**

Change in Present Value of Obligations

	March 31, 2019	March 31, 2018
Opening defined benefit obligations	8.12	5.32
Service cost	0.76	0.87
Interest Cost	0.62	0.36
Benefit Paid	(0.12)	(0.05)
Actuarial (gain)/ loss on total liabilities	(0.17)	1.62
Closing defined benefit obligations	**9.21**	**8.12**

Change in Fair Value of Plan Assets

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	8.03	6.04
Actual Return on Plan Assets	0.54	0.44
Employer Contribution	0.41	1.60
Benefit Paid	(0.12)	(0.05)
Closing fair value of plan assets	**8.86**	**8.03**

The Major Categories of Plan Assets as a Percentage of the fair Value of Total Plan Assets are as Follows :

	March 31, 2019	March 31, 2018
Investments with insurer (LIC)	100%	100%

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 27. Employee Benefit Obligations (contd..)

The Significant Actuarial Assumptions were as Follows :

	March 31, 2019	March 31, 2018
Discount Rate	7.63% per annum	7.69% per annum
Rate of increase in Compensation levels	5.00% per annum	5.00% per annum
Rate of Return on Plan Assets	7.69% per annum	6.80% per annum

The estimates of future salary increases in actuarial valuation taking into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in employment market

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

The expected contribution for defined benefit plan for the next financial year will be in line with financial year 2018-19.

Sensitivity Analysis

Following Table Shows the Sensitivity Results on Liability due to Change in the Assumptions:

	March 31, 2019	Impact (Absolute)	Impact (%)
Base Liability	9.21		
Increase Discount Rate by 0.50%	9.00	(0.21)	-2.28%
Decrease Discount Rate by 0.50%	9.43	0.22	2.39%
Increase Salary Inflation by 1.00%	9.64	0.43	4.67%
Decrease Salary Inflation by 1.00%	8.82	(0.39)	-4.23%
Increase in Withdrawal Assumption by 5.00%	9.50	0.29	3.15%
Decrease in Withdrawal Assumption by 5.00%	8.70	(0.51)	-5.54%

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 28. Commitments and Contingencies

Capital Commitments

	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances)	9.66	42.37

Contingent Liabilities

	March 31, 2019	March 31, 2018
Guarantees excluding financial guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	299.07	277.95
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	-	33.95
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters	4.88	5.22
Sales tax / VAT related matters	0.76	13.22
Income tax related matter	0.51	0.51

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 28. Commitments and Contingencies (contd..)

Note a

The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Note b

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company does not expect to have a significant impact of the above ruling. The company will evaluate and update its provision, on receiving further clarity on the subject.

Note 29. Group Information

A Names of related parties and related party relationship :

I Subsidiaries and associates

Indian subsidiaries

1 Economic Explosives Limited
2 Blastec (India) Private Limited
3 Emul Tek Private Limited
4 Solar Defence Limited (Note - i)
5 Solar Defence Systems Limited (Note - i)

Overseas subsidiary

1 Solar Overseas Mauritius Limited

Overseas step down subsidiaries

1 Solar Mining Services Pty Limited, South Africa
2 Nigachem Nigeria Limited
3 Solar Overseas Netherlands B.V.
4 Solar Explochem Zambia Limited
5 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi
6 P.T. Solar Mining Services (Note - i)
7 Solar Explochem (Ghana) Limited (Note - ii)
8 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)
9 Solar Nitro Ghana Limited (Note - i)
10 Solar Madencilik Hizmetleri A.S
11 Solar Overseas Netherlands Cooperative U.A
12 Solar Overseas Singapore Pte Ltd
13 Solar Industries Africa Limited
14 Solar Nitro Zimbabwe (Private) Limited (Note - i & iv)
15 Solar Nitro Chemicals Limited (Note - i)
16 Solar Mining Services Pty Ltd, Australia*
17 Solar Industrias Mozambique LDA (Note - iii)

Associates / Joint Ventures

1 Solar Bhatgaon Extension Mines Pvt. Limited (Note - i)
2 SMS Bhatgaon Mines Extension Pvt. Limited (Note - i)

Note - i: The entity has not commenced its business operations
Note - ii: The entity is under liquidation
Note - iii: The entity liquidated on October 18, 2018
Note - iv: The entity is incorporated on October 10, 2018
*Formerly known as Australian Explosives Technologies Group Pty Limited

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Group Information (contd..)

II Key Management Personnel (KMP)

Shri Satyanarayan Nuwal (Chairman and Executive Director)
Shri Kailashchandra Nuwal (Vice Chairman and Executive Director)
Shri Manish Nuwal (Managing Director and CEO)
Shri Roomie Dara Vakil (Executive Director) (Resigned w.e.f. May 11, 2018)
Shri Suresh Menon (Executive Director) (Appointed w.e.f. May 11, 2018)
Shri Anil Kumar Jain (Executive Director)
Shri Nilesh Panpaliya (Chief Financial Officer)
Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III Non Executive Directors

Shri Anant Sagar Awasthi
Shri Dilip Patel
Shri Ajai Nigam
Shri Amrendra Verma
Smt Madhu Vij

Non executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2018-19.
The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

IV Enterprises, over which control or significant influence is exercised by individuals listed in 'II' above (with whom transactions have taken place)

Solar Synthetics Private Limited
Solar Enlightenment Foundation

V Other related parties

Solar Industries India Limited employee group gratuity assurance scheme
(Post employment benefit plan of the Company)
Refer note 27 for information on transactions with post employment benefit plan mentioned above

VI Enterprises, over which control or significant influence is exercised by individuals listed in 'II' above (other than IV above)

Mahakal Infrastructures Private Limited*
Mahakal Project Private Limited*
Nagpur Infrastructure Private Limited
Solar Processors (Bhilwara) Limited
Gulmohar Developers and Constructions Private Limited
Sun Developers and Constructions Private Limited
Sunbeam Developers and Constructions Private Limited
Sundrop Realtors Private Limited*
Sunland Infracon Private Limited*
Sunlight Infraventures Private Limited*
Sundrop Developers and Ventures LLP
Commercial Sales Corporation

VII Entities with Joint control

Astra Resources (Pty) Limited

*The entities are under process of striking off.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Group Information (contd..)

B. Transactions with related parties during the year

Nature of Transaction	March 31, 2019	March 31, 2018
Sales of products and services		
Economic Explosives Limited	82.27	76.88
Blastec (India) Private Limited	2.01	1.90
Nigachem Nigeria Limited	30.32	10.63
Solar Explochem Zambia Limited	8.46	9.45
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	45.20	34.11
Solar Mining Services (Pty) Ltd, South Africa	17.23	17.46
Solar Mining Services Pty Ltd (formerly known as Australian Explosive Technologies Group Pty Limited)	5.00	1.45
Total	**190.49**	**151.88**
Other operating income		
Economic Explosives Limited- License	0.22	0.25
Nigachem Nigeria Limited (Technical consultancy)	0.99	0.70
Other Income (Arrangement fees)		
Solar Overseas Mauritius Ltd.	1.00	0.37
Solar Mining Services (Pty) Ltd, South Africa	0.11	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.17	-
Cross Charges recovered		
Economic Explosives Limited	0.17	-
Blastec (India) Private Limited	0.02	-
Nigachem Nigeria Limited	0.08	-
Solar Explochem Zambia Limited	0.06	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.16	-
Solar Mining Services (Pty) Ltd, South Africa	0.04	-
Solar Mining Services Pty Ltd, Australia	0.00	-
Total	**3.02**	**1.32**
Sale of fixed assets		
Emul Tek Private Limited	-	0.16
Total	**-**	**0.16**
Purchase of raw material and components		
Economic Explosives Limited	86.73	83.53
Solar Mining Services (Pty) Ltd	-	0.58
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.01	-
Solar Mining Services (Pty) Ltd, South Africa	0.06	-
Total	**86.80**	**84.11**
Balances written off		
SMS Bhatgaon Mines Extension Private Limited	1.00	-
Solar Bhatgoan Extension Mines Private Limited	0.14	-
Total	**1.14**	**-**
Donation made		
Solar Enlightenment Foundation	0.62	0.63
Total	**0.62**	**0.63**
Purchase of License		
Economic Explosives Limited	1.24	0.43
Total	**1.24**	**0.43**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Group Information (contd..)

Nature of Transaction	March 31, 2019	March 31, 2018
Other Expenditure		
Solar Synthetics Private Limited	0.19	0.20
Solar Synthetics Private Limited (Rent)	0.06	0.06
Solar Mining Services Pty Ltd (formerly known as Australian Explosive Technologies Group Pty Limited)	0.34	-
Total	**0.59**	**0.26**
Investment		
Blastec (India) Private Limited	4.91	-
Total	**4.91**	**-**
Loans given/ (repaid) during the year		
Given		
Economic Explosives Limited Given	398.38	771.43
Blastec (India) Private Limited Given	60.19	73.76
Solar Overseas Mauritius Ltd. Loan Given	78.03	22.74
Emul Tek Private Limited Given	0.81	2.43
	537.41	**870.36**
Repaid		
Economic Explosives Limited Recovered	(390.84)	(725.90)
Blastec (India) Private Limited Recovered	(65.82)	(73.86)
Solar Overseas Singapore Pte Ltd. Recovered	-	(0.03)
Emul Tek Private Limited Recovered	(0.04)	(0.27)
	(456.70)	**(800.06)**
Total (net)	**80.71**	**70.30**
Loans taken/ (repaid) during the year		
Commercial Sales Corporation	-	(21.16)
Total	**-**	**(21.16)**
Interest income		
Economic Explosives Limited	6.07	4.33
Blastec (India) Private Limited	1.24	1.20
Emul Tek Private Limited	0.21	0.06
Solar Overseas Mauritius Ltd	6.23	3.70
SMS Bhatgaon Mines Extension Private Limited	0.06	0.11
Solar Bhatgoan Extension Mines Private Limited	0.01	0.01
Total	**13.82**	**9.41**
Interest Charge		
Commercial Sales Corporation	-	0.39
Total	**-**	**0.39**
Remuneration to KMP*		
Short-term employee benefits		
Shri S.N. Nuwal	2.70	2.70
Shri K.C. Nuwal	2.70	2.70
Shri Manish Nuwal	2.70	2.70
Shri R D Vakil	0.03	0.27
Shri Suresh Menon	0.35	-
Shri Anil Kumar Jain	0.42	0.33
Shri Nilesh Panpaliya	0.32	0.29
Mrs. Khushboo Pasari	0.11	0.09
Total	**9.33**	**9.08**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Group Information (contd..)

Nature of Transaction	March 31, 2019	March 31, 2018
Sitting fees		
Shri Anant Sagar Awasthi	0.02	0.02
Shri Dilip Patel	0.04	0.03
Shri Ajai Nigam	0.03	0.02
Shri Amrendra Verma	0.03	0.02
Smt Madhu Vij	0.03	0.02
Total	**0.15**	**0.11**
Guarantee given on behalf of subsidiary		
Solar Overseas Mauritius Limited	-	198.51
Solar Mining Services (Pty) Limited, South Africa	34.58	41.71
Solar Patlayici Maddeler	-	30.96
Total	**34.58**	**271.18**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has recorded an impairment of receivables relating to amounts owed by related parties of ₹ Nil (March 31, 2018: ₹ 4.30). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Company as a whole and individual amounts are not determinable.

C. Balance outstanding at the year end are as follows:

	March 31, 2019	March 31, 2018
Loans		
Economic Explosives Limited	66.87	63.67
Blastec (India) Private Limited	8.30	15.13
Solar Overseas Mauritius Ltd.	133.21	55.60
Emul Tek Private Limited	2.91	2.19
Total	**211.29**	**136.59**
Other Financial Assets (Accrued Interest)		
Economic Explosives Limited	1.11	-
Blastec (India) Private Limited	0.21	-
Solar Overseas Mauritius Limited	3.56	-
Emul Tek Private Limited	0.05	-
Total	**4.93**	**-**
Trade receivables/ Other Receivables		
Nigachem Nigeria Limited	4.38	5.00
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	22.68	26.08
PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	-	4.30
Blastec (India) Private Limited	2.07	-
Solar Mining Services (Pty) Limited, South Africa	16.07	11.04
SMS Bhatgaon Mines Extension Private Limited	-	1.00
Solar Bhatgoan Extension Mines Private Limited	-	0.14
Solar Explochem Zambia Limited	0.95	-
Emul Tek Private Limited	0.01	0.29
Economic Explosives Limited	8.36	7.20
Solar Mining Services (Pty) Limited, Australia	3.30	-
Solar Synthetics (P) Ltd *	0.00	-
Total	**57.82**	**55.05**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29. Group Information (contd..)

	March 31, 2019	March 31, 2018
Trade payables/ Other payables		
Economic Explosives Limited	2.17	9.94
Solar Mining Services (Pty) Limited, South Africa	-	0.58
Solar Synthetics (P) Ltd	0.02	-
Shri S.N.Nuwal	0.07	0.20
Shri Manish Nuwal	0.08	0.22
Shri K.C. Nuwal	0.08	0.24
Total	**2.42**	**11.18**
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	181.51	205.02
Solar Mining Services (Pty) Limited	48.41	41.71
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	69.15	65.17
Total	**299.07**	**311.90**

* Amount is less than ₹ 0.01 Crore as at March 31, 2019

Note 30. Segment Information

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product of geography.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments" the Company has presented segment, information only in the Consolidated financial statements.

Note 31. Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, other than cash and cash equivalents, trade receivables, other financial assets (except derivatives) , trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments/ units of mutual fund schemes are based on market price/ net asset value at the reporting date.

3. The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair Value Measurements (contd..)

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. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

5. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2019 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, 2019 is as follows:

	Notes	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost -					
Loans	5	213.80	-	213.80	-
Other financial assets (except derivatives)	6	88.08	-	-	-
Trade receivables	7	185.49	-	-	-
Cash and cash equivalents	8	19.94	-	-	-
Bank balances other than cash and cash equivalents	8	7.37	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	4	0.11	-	0.11	-
Investment in Venture Capital Fund (unquoted)	4	2.36	-	2.36	-
Investment in equity instruments (quoted)	4	0.05	0.05	-	-
Investment in mutual funds (quoted)	4	30.03	30.03	-	-
Fair value through Other Comprehensive Income					
Derivative Instruments designated as hedge	6	0.03	-	0.03	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	12	36.89	-	36.89	-
Current	13	45.22	-	45.22	-
Trade payables	15	86.27	-	-	-
Other financial liabilities (except derivatives)	16	122.98	-	-	-
Fair value through profit and loss					
Derivative Instruments not designated as hedge	16	4.92	-	4.92	-

There have been no transfers among Level 1, Level 2 and Level 3 during the current year.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Fair Value Measurements (contd..)

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2018 is as follows:

	Notes	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	5	220.83	-	220.83	-
Other financial assets (except derivatives)	6	59.61	-	-	-
Trade receivables	7	157.64	-	-	-
Cash and cash equivalents	8	4.04	-	-	-
Bank balances other than cash and cash equivalents	8	5.90	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	4	0.11	-	0.11	-
Investment in Venture Capital Fund (unquoted)	4	2.84	-	2.84	-
Investment in equity instruments (quoted)	4	0.15	0.15	-	-
Investment in mutual funds (quoted)	4	7.70	7.70	-	-
Fair value through Other Comprehensive Income					
Derivative Instruments	6	2.00	-	2.00	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	12	75.22	-	75.22	-
Current	13	21.26	-	21.26	-
Trade payables	15	59.27	-	-	-
Other financial liabilities (except derivatives)	16	80.61	-	-	-
Fair Value through profit and loss					
Derivative Instruments not designated as hedge	16	0.48	-	0.48	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Note 32. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial Risk Management Objectives and Policies (contd..)

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Loan	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options contracts/forward
Market Risk- Equity price risk	Investment in Equity Securities mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letters of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value 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 is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the instrument	Currency	March 31, 2019	March 31, 2018
Derivatives designated as hedge			
Interest rate swap*	USD	0.00	-

*Amount is less than USD 0.01 in March 31, 2019

0.5 % changes in LIBOR will increase/ decrease the borrowing cost by ₹ 0.86 (Pre-tax)

The Company does not have significant investment in Bank Deposits and hence not significantly exposed to Interest rate sensitivity.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 32. 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

a) Derivative outstanding as at the reporting date

The Company has borrowings(short term and long term) in foreign currency amounting to ₹ 171.31 (March 31, 2018: ₹ 145.83). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Company has taken foreign exchange forward / call spread contracts, which are as follows:

Nominal value of forward contracts & option contracts that hedge monetary labilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

Name of the instrument	Currency	March 31, 2019	March 31, 2018
Derivatives not designated as hedge			
Forward contract	USD	1.77	-
Call spread	USD	0.71	2.14

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2019				March 31, 2018			
	USD	EURO	SEK	ZAR	USD	EURO	SEK	ZAR
Trade Receivable	69.64	-	-	15.35	61.91	1.62	-	-
Loans	136.92	-	-	-	55.39	-	-	-
Borrowings	-	-	-	-	6.27	-	-	-
Trade Payables	10.97	-	-	-	-	-	0.08	0.61
Capital Creditors	-	(3.60)	-	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

	March 31, 2019	March 31, 2018
USD	1.96	1.17
EURO	0.04	0.02
SEK*	-	0.00
ZAR	0.15	(0.01)

* Amount is less than SEK 0.01 in March 31, 2018

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial Risk Management Objectives and Policies (contd..)

Equity Price Risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

	March 31, 2019	March 31, 2018
Investment in equity shares (quoted)	0.05	0.15
Investment in mutual funds	30.03	7.70

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and mutual funds and gain/ loss for the year would be ₹ 0.30 (March 31, 2018: ₹ 0.08) (Pre-tax). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

Cash and cash equivalents and deposits: Balances and deposits with banks are subject to low credit risks due to good credit ratings assigned to the banks.

Investments: The Company limits its exposure to credit risk by generally investing in liquid securities and counterparties that have a good credit ratings. The Company does not expect any credit losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

Loans: The Company has given loans to subsidiaries. However there is no counter party risk. (refer note 5)

Trade and Other Receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

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, 2019	133.36	23.09	37.07	193.52
As at March 31, 2018	102.26	10.96	60.71	173.93

The following table summarizes the changes in the provisions made for the receivables:

	March 31, 2019	March 31, 2018
Opening balance	16.29	16.58
Provided during the year	3.47	(0.29)
Utilisation of provisions	(11.73)	-
Closing balance	8.03	16.29

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 32. Financial Risk Management Objectives and Policies (contd..)

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
March 31, 2019					
Borrowings					
From Banks (net of interest accrued but not due)	-	21.80	112.62	36.89	171.31
Trade payables	-	86.27	-	-	86.27
Other financial liabilities	0.06	12.23	21.49	-	33.78
Derivative Instruments	-	0.89	4.03	-	4.92
March 31, 2018					
Borrowings					
From Banks (net of interest accrued but not due)	-	12.53	64.35	75.22	152.10
Trade payables	-	59.27	-	-	59.27
Other financial liabilities	0.04	5.80	19.15	-	24.99
Derivative Instruments	-	-	0.48	-	0.48

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, 2019	March 31, 2018
Net Debt	116.19	139.81
Equity	885.05	759.21
Capital Employed	**1,001.24**	**899.02**
Net Gearing ratio	**11.60%**	**15.55%**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 33. Capital Management (contd..)

Calculation of Net Debt is as Follows :

	March 31, 2019	March 31, 2018
Borrowings		
Non-Current	36.89	75.22
Current	45.22	21.26
Current maturities of long-term debt	89.20	55.62
	171.31	152.10
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	25.04	4.44
Current Investments	30.08	7.85
	55.12	12.29
Net Debt	116.19	139.81

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 year ended March 31, 2019.

Note 34. Research & Development Expenditure:

1. Capital Expenditure incurred on R&D is included in property, plant and equipment and depreciation is provided on the same at the respective applicable rates.

2. Revenue expenditure incurred on R&D has been included in the respective account heads in the Statement of Profit and Loss.

Nature	March 31, 2019	March 31, 2018
Revenue Expenditure	7.19	5.28
Capital Expenditure	5.38	0.65
Total	12.57	5.93

Note 35. Revenue from Operations

a. Principle Revenue Generation Activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue Information

The Company's disaggregate revenue by geographical location.

	March 31, 2019	March 31, 2018
India	1,298.85	1,083.57
Rest of the World	311.38	179.05
Total	1,610.23	1,262.62

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 35. Revenue from Operations (contd..)

c. Contract Balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2019.

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, 2019	March 31, 2018
Trade Receivables	185.49	157.64
Contract Liabilities	9.51	13.30

d. Set Out Below is the Amount of Revenue Recognised from

	March 31, 2019	March 31, 2018
Amounts included in contract liabilities at the beginning of the year	12.98	11.37
Performance obligation satisfied in previous years	(9.89)	0.22

Increase/ (decrease) in contract liability is mainly on account of receipt from customers and revenue recognized during the year.

e. Reconciling the Amount of Revenue Recognised in Statement of Profit and Loss with the contracted Price

	March 31, 2019	March 31, 2018
Revenue as per contracted price	1,642.26	1,273.78
Adjustments for:		
Rebates, Discounts and Powder Factor deductions	(32.03)	(11.16)
Revenue from contract with customers	**1,610.23**	**1,262.62**

f. 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, 2019, the aggregate amount of the transaction price allocated to order backlog was ₹ 917.85. The Company expects to recognise revenue within the range from 90% to 95% of the order backlog through 2019-20.

Note 36. Exceptional items

Chhattisgarh Mineral Development Corporation (CMDC), SMS Infrastructure Limited (SMS) and the Company (SOLAR) entered into a joint venture agreement (JVA) dated September 12, 2008 to develop and operate the coal block. As per the tender condition, the Company made a payment of ₹ 45.11 to CMDC for coal mining project. Following companies namely (i) Bhatgaon Mines Private Limited ("BMPL"); and (ii) Bhatgaon Extension Mines Private Limited ("BEMPL") were incorporated for this purpose and transactions made by the Company before forming of the aforesaid companies were incorporated in the books of BEMPL and BMPL and reflected as loan given in Company's books. The Company made further payments of ₹ 12.09 to BEMPL, BMPL, and other JV companies (SPVs) for coal block business purposes.

On July 19, 2013, CMDC terminated the JVA citing failure on part of SOLAR and SMS to perform their obligations. Further, the coal blocks got de-allocated by Ministry of Coal due to unsatisfactory progress. Due to de-allocation of coal blocks and considering the uncertainty, the Board of Directors of the Company approved not to charge interest on loans given to BEMPL and BMPL from FY 2012-13. Due to termination of JVA, SOLAR and SMS initiated arbitration proceedings against CMDC for recovery of their investments. Arbitration was awarded in favour of SOLAR and SMS vide order dated April 9, 2018 and accordingly, CMDC made a payment of ₹ 73.60 including interest of ₹ 19.16 to BMPL.

The said amount received by BMPL was apportioned between SOLAR and SMS in the ratio of their respective investments made. Accordingly, the Company has received an amount of ₹ 51.15 (including interest of ₹ 13.30) as against the total investments of ₹ 57.19 (in form of loans to BEMPL & BMPL disclosed under Note 5 as 'Non current loans' amounting to ₹ 56.05 and other receivables from SPVs disclosed under Note 6 as 'Other financial assets' amounting to ₹ 1.14). Accordingly, the Company has recognised interest income of ₹ 13.30 and written off the balance amount of ₹ 19.35, and disclosed the net amount of ₹ 6.05 under exceptional items in the Statement of profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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, 2019	March 31, 2018
Principal amount outstanding (whether due or not) to micro and small enterprises	3.24	3.96
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 & 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. The financial statements were approved for issue by the Board of Directors on May 09, 2019

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration
Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Consolidated Financial Statements

Independent Auditor's Report

To the Members of **Solar Industries India Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entity, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Group 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition (as described in note 2.3 (j) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>Revenue from sale of goods is recognized as outlined in note 20 of the consolidated Ind AS financial statements.

The Holding Company estimates the provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer 'site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which is reduced from the sales of the period.

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.

As at March 31, 2019, the Holding Company is carrying a powder factor provision of ₹19.29 crores.</td><td>Our audit procedures include the following:

• We evaluated the revenue recognition accounting policies.
• We obtained an understanding of management's internal controls over the estimation of powder factor.
• We read the agreement with customers for validating terms relating to powder factor.
• We assessed the key assumptions made by the management in estimating powder factor provisions
• We verified the sales register to trace the quantity supplied and to verify the arithmetical accuracy of powder factor provision.
• We evaluated the historical trend against the actual powder factor deduction.
• We assessed the disclosures made in the consolidated Ind AS financial statements.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Carrying value of trade receivables (as described in note 2.3 (i)(iv)of the consolidated Ind AS financial statements)	
As at March 31, 2019, trade receivables constitutes approximately 17% of total assets of the Group. The Holding Company is required to regularly assess the recoverability of its trade receivables. The Holding Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Holding Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates which is also outlined in note 2.3(i)(iv) of the financial statement. This is a key audit matter as significant judgement is involved to establish the provision matrix. The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in Notes 7 to the consolidated Ind AS financial statements. The auditors of Economic Explosives Limited ('EEL'), a subsidiary of the Holding Company have also reported key audit matter on the aforesaid topic.	Our audit procedures include the following: • We evaluated management's assumption and judgment involved in estimating recoverability. • We evaluated management's continuous assessment of the assumptions used in the impairment assessment which includes the historical default rates and business environment in which the entity operates. • We assessed the disclosures made in the consolidated Ind AS financial statements. In respect of the key audit matter reported to us by the auditors of EEL, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the component auditor, the audit procedures performed include the audit procedures mentioned above.
Receivables under Package Scheme of Incentives 2007 (PSI)	
The Holding Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From July 1, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra, issued a notification dated June 12, 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Holding Company is accruing incentive @100% of SGST paid by the Company in Maharashtra. Management is yet to file the claim with the department for the incentives under GST period. Total outstanding receivable of PSI incentive as at March 31, 2019 is ₹105.92 crores. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amount. The auditors of Economic Explosives Limited ('EEL'), a subsidiary of the Holding Company have also reported key audit matter on the aforesaid topic.	Our audit procedures include the following: • Read the PSI scheme and evaluated the eligibility of the Holding Company to claim incentives. • Read the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and evaluated its impact on Holding Company's eligibility of PSI incentive. • We evaluated the historical trend of receiving amounts under PSI Scheme as against the claims filed. • Read the correspondences with the government department relating to incentive claims filed by the Holding Company. In respect of the key audit matter reported to us by the auditors of EEL, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the component auditor, the audit procedures performed include the audit procedures mentioned above.

Key audit matters	How our audit addressed the key audit matter
Deferred Tax Asset (as described in note 2.3(o) of the consolidated Ind AS financial statements)	
The auditors of Solar Overseas Mauritius Limited ('SOML'), a subsidiary of the Holding Company have reported recoverability of deferred tax asset in subsidiaries in South Africa and Australia as key audit matter. As at March 31, 2019, the Group has an outstanding deferred tax asset balance of ₹ 29.11 crores. We considered this a key audit matter because deferred tax assets constitute a material balance in the financial statements and significant judgement is required by the company in determining the recoverability of deferred tax assets arising from past tax losses due to inherent uncertainties involved in forecasting such profits. **A - Recoverability of deferred tax assets in South Africa** The Company has recently started operations in South Africa. Being in the initial years of operations, these entities have incurred significant losses. The management has recognised deferred tax assets on these losses amounting to ₹ 15.28 crores as at March 31, 2019 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. **B - Recoverability of deferred tax assets in Australia** The Company has recently started operations in Australia for which the Company has acquired land and is in the process of setting up a manufacturing facility. The Company has incurred losses and has taxable timing differences on which deferred tax assets have been recognized amounting to ₹ 4.60 crores as at March 31, 2019. Based on forecasts, market expectations, its experience with respect to recoverability of losses from operations in other territories and the period over which these losses can be carried forward a deferred tax asset has been recognised in the financial report.	Our audit procedures included 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:- **A – South Africa:** • Evaluated management's assessment of source of losses; a major amount of which pertains to non-operating losses i.e., finance cost and currency loss restatement. • Evaluated the progress made by the Company in improving the profitability of the business in recent periods. • Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a 5 year plan. • Assessed the tax rate applied (28%) to the forecast future taxable profits and also the time period over which tax losses can be carried forward. • Assessed the performance of the company and the recoverability of losses in the other territories. **B – Australia:** • Evaluated management's assessment of a major amount of which pertains to non- operating losses i.e., finance costs and restatement losses due to depreciation of local currency against USD. • Evaluated the progress made by the Company in improving the profitability of the business. • Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a five- year forecast. • Assessed the tax rate applied to the forecast future taxable profits and also the time period over which tax losses can be carried forward. • Assessed the performance of the Company and the recoverability of losses in the other territories.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and jointly controlled entity 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for assessing the ability of the Group and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 system 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 jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 jointly controlled entity of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) Financial statements and other financial information, in respect of 1 subsidiary, whose Ind AS financial statements include total assets of ₹ 587.23 crores as at March 31, 2019, and total revenues of ₹ 364.08 crores and net cash inflows of ₹ 14.40 crores for the year ended on that date. These financial statement and other financial information have been audited by one of the joint auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such joint auditor.

(b) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries, whose Ind AS financial statements include total assets of ₹ 1,136.79 crores as at March 31, 2019, and total revenues of ₹ 772.98 crores and net cash outflows of ₹ 3.39 for the year ended on that date. These Ind AS 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 Ind AS 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 report(s) of other auditors.

(c) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 8 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 348.23 crores as at March 31, 2019, and total revenues of ₹ Nil and net cash outflows of ₹ 6.39 crores 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 Ind AS financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of a jointly controlled entity, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statement 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 Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled entity, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS 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, 2019 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, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and jointly controlled entity in its consolidated Ind AS financial statements – Refer Note 29 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group 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, 2019.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm registration
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910

Place : Nagpur
Date : May 9, 2019

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place : Nagpur
Date : May 9, 2019

Annexure 1

to the Independent Auditor's Report of Even Date on the Consolidated Ind AS Financial Statements of Solar Industries India Limited

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 Ind AS financial statements of Solar Industries India Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Solar Industries India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries, which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated Ind AS 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 system over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS 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 Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to separate financial statements of 5 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm registration
number: 139703W

per **Akshay Rathi**
Proprietor
Membership No.: 161910

Place : Nagpur
Date : May 9, 2019

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration
number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.: 105497

Place : Nagpur
Date : May 9, 2019

Balance Sheet as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,004.75	893.67
Capital work-in-progress	3A	166.46	96.84
Goodwill	3B	8.63	8.14
Other Intangible assets	3C	29.51	21.47
Intangible assets under development	3C	11.09	10.56
Financial assets			
Investments	4	2.56	3.04
Loans	5	12.13	83.42
Other financial assets	6	11.80	27.95
Deferred tax assets (net)	9A	29.11	7.14
Current tax assets (net)		9.79	3.97
Other non-current assets	11	27.22	20.23
Total non-current assets		**1,313.05**	**1,176.43**
Current assets			
Inventories	10	282.74	232.42
Financial assets			
Investments	4	30.08	14.01
Trade receivables	7	399.04	363.58
Cash and cash equivalents	8	61.00	52.49
Bank balances other than cash and cash equivalents	8	30.76	16.97
Loans	5	2.28	12.44
Other financial assets	6	96.36	52.51
Other current assets	11	66.17	72.66
Total current assets		**968.43**	**817.08**
Non-current assets classified as held for sale	3D	0.53	1.60
Total assets		**2,282.01**	**1,995.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	1,220.23	1,065.76
Equity attributable to shareholders		**1,238.33**	**1,083.86**
Non-controlling interests		47.55	47.38
Total equity		**1,285.88**	**1,131.24**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	155.61	196.10
Other financial liabilities	16B	0.53	-
Deferred tax liabilities (net)	19	119.47	101.07
Other non-current liabilities	17B	-	0.54
Provisions	18	0.15	0.18
Total Non-current liabilities		**275.76**	**297.89**
Current liabilities			
Financial liabilities			
Borrowings	14	312.92	229.28
Trade payables	15	163.30	143.33
Other financial liabilities	16A	185.36	128.36
Current tax Lilibities (net)		3.51	13.97
Other current liabilities	17A	46.49	46.72
Provisions	18	8.79	4.32
Total current liabilities		**720.37**	**565.98**
Total liabilities		**996.13**	**863.87**
Total equity and liabilities		**2,282.01**	**1,995.11**
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration
Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	20	2,461.57	1,951.47
Other income	21	14.72	12.10
Total income		**2,476.29**	**1,963.57**
Expenses			
Cost of materials consumed	22A	1,253.46	1,060.59
Purchases of stock-in-trade		137.34	40.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	10.14	(37.40)
Excise duty		-	35.35
Employee benefit expense	23	184.20	142.36
Depreciation and amortization expense	26	58.89	51.29
Other expenses	24	374.49	298.63
Finance costs	25	49.87	32.72
Total expenses		**2,068.39**	**1,623.93**
Profit before Exceptional items & tax		**407.90**	**339.64**
Exceptional item (net) (refer note - 38)		(6.05)	-
Profit before tax		**401.85**	**339.64**
Tax expense			
- Current tax		130.45	89.44
- Adjustment of tax relating to earlier periods		(5.48)	(1.54)
- Deferred tax		0.08	18.15
Total tax expense	19	**125.05**	**106.05**
Profit for the year		**276.80**	**233.59**
Other comprehensive income/ (loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurements gain/ (loss) on defined benefit plans		(0.17)	(1.77)
Income tax effect		0.05	0.61
		(0.12)	**(1.16)**
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		(51.89)	9.27
Income tax effect		4.76	(0.13)
		(47.13)	**9.14**
Total other comprehensive income/(loss) for the year, net of tax		**(47.25)**	**7.98**
Total comprehensive income for the year		**229.55**	**241.57**
Net profit attributable to			
a) Owners of the company		261.61	220.55
b) Non-controlling interest		15.19	13.04
		276.80	**233.59**
Other comprehensive income attributable to			
a) owners of the company		(40.82)	7.46
b) Non-controlling Interest		(6.43)	0.52
		(47.25)	**7.98**
Total comprehensive income attributable to			
a) Owners of the company		220.79	228.01
b) Non-controlling Interest		8.76	13.56
		229.55	**241.57**
Earnings per equity share			
Basic and Diluted earnings per share	27	28.91	24.37
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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DIN: 00164388

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Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	401.85	339.64
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortisation expense	58.89	51.29
Net gain on disposal of property, plant and equipment	0.75	(0.14)
Net gain on financial assets mandatorily measured at fair value through profit or loss	(0.01)	(0.48)
Profit on sale of financial assets carried at fair value through profit or loss	(2.22)	(2.20)
Dividend and interest income	(4.25)	(3.57)
Finance costs	49.87	32.72
Impairment loss on financial assets	3.64	0.16
Bad debts written off	7.34	15.77
Loans and advances written off	0.27	2.67
Fair value changes on derivatives not designated as hedges	8.47	(0.78)
Remeasurement loss on defined benefit plans	0.04	-
Net foreign exchange differences	(39.60)	8.82
Exceptional Item	6.05	-
Operating profit before working capital changes	**491.09**	**443.90**
Working capital adjustments :		
Decrease/ (Increase) in trade receivables	16.17	(59.96)
(Increase) in inventories	(50.32)	(51.35)
Increase/ (Decrease) in trade payables	(45.06)	37.86
(Increase) in other financial assets (excluding derivatives)	(30.47)	(5.45)
Decrease/ (Increase) in other assets (current and non current)	(0.08)	(17.03)
Increase/ (Decrease) in other current and non current liabilities	(4.16)	27.13
(Decrease)/ Increase in provisions	2.05	(0.02)
Increase/ (Decrease) in other financial liabilities (excluding derivatives)	8.65	(31.53)
Cash generated from operations	**387.87**	**343.55**
Less: Income taxes paid	129.42	89.45
Net cash flows from operating activities	**258.45**	**254.10**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(252.59)	(224.38)
Proceeds from sale of property, plant and equipment	2.48	1.68
Loans repaid by/ (given) to others	75.21	(9.37)
Loans repaid by other	0.00	19.30
Proceeds from sale of non current investments	6.52	38.88
Proceeds from sale/(Purchase) of current investments	(19.88)	-
Investment in fixed deposits	(14.40)	(3.51)
Dividend and interest income received	4.25	3.07
Net cash flows from investing activities	**(198.41)**	**(174.33)**
Cash flows from financing activities		
Proceeds from non-current borrowings	181.77	161.87
Repayment of non-current borrowings	(198.00)	(113.75)
Proceeds/ (Repayment of) from current borrowings	91.41	(32.16)
Repayment of borrowing current	(0.24)	-
Proceeds/ (Repayment of) from current borrowings-other	(1.40)	-
Acquisition of non controlling interest	-	(6.11)
On account of merger	-	(0.81)
On acquisition of subsidiary	-	(3.82)
Interest paid	(50.14)	(27.53)
Transaction with Non controlling interest	(5.29)	-
Dividends paid to Non controlling interest	(7.56)	(3.62)
Dividends paid to company's shareholders	(54.29)	(27.15)
Dividend distribution tax	(11.16)	(5.53)
Proceed from issue of fresh shares to minority	3.37	5.40
Net cash flows from/ (used in) financing activities	**(51.53)**	**(53.21)**
Net increase / (decrease) in cash and cash equivalents	**8.51**	**26.56**
Add: Cash and cash equivalents at the beginning of the year	**52.49**	**25.93**
Cash and cash equivalents at end of the year (refer note 8)	**61.00**	**52.49**

The accompanying notes form an integral part of the consolidated financial statements

Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Changes in Liabilities Arising from Financing Activities

Particulars	March 31, 2018	Cash flows	Foreign exchange management	March 31, 2019
Current borrowings	229.28	89.77	(6.13)	312.92
Non-current borrowings	196.10	(16.23)	(24.26)	155.61
Total liabilities from financing activities	**425.38**	**73.54**	**(30.39)**	**468.53**

Particulars	March 31, 2017	Cash flows	Foreign exchange management	March 31, 2018
Current borrowings	260.99	(32.16)	0.45	229.28
Non-current borrowings	147.96	48.12	0.02	196.10
Total liabilities from financing activities	**408.95**	**15.96**	**0.47**	**425.38**

As per our report of even date attached

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per **Pramod Kumar Bapna**
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DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

12. Equity Share Capital

	No of Shares	Amount
At April 1, 2017 (Equity Shares of ₹ 10 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**
At March 31, 2018 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**
At March 31, 2019 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	**9,04,90,055**	**18.10**

12A. Other Equity

	Reserves and surplus						Cash flow hedge reserve (Note 12A)	Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Foreign currency translation reserve (Note 12A)	Total				
Balance as at April 1, 2017	**149.13**	**369.78**	**16.39**	**434.44**	**(59.25)**	**910.49**	**-**	**910.49**	**40.26**	**950.75**
Total profit for the year	-	220.55	-	-	-	220.55	-	220.55	13.04	233.59
On account of merger	-	(0.96)	0.15			(0.81)		(0.81)	-	(0.81)
Transfer from retained earnings	-	-	-	45.66	-	45.66		45.66	-	45.66
Other comprehensive income										
Remeasurement loss on defined benefit plans	-	(1.16)	-	-	-	(1.16)	-	(1.16)	-	(1.16)
Net movement in Cash Flow Hedges						-	0.25	0.25		0.25
Transfer to General reserve	-	(45.66)	-	-	-	(45.66)	-	(45.66)	-	(45.66)
Due to Turkey acquisition		(39.25)				(39.25)		(39.25)	-	(39.25)
Exchange differences on translation of foreign operations	-	-	-	-	8.37	8.37	-	8.37	0.52	8.89
Transactions with owners :										
Dividend paid	-	(27.15)	-	-	-	(27.15)	-	(27.15)	(3.62)	(30.77)
Dividend distribution tax paid	-	(5.53)	-	-	-	(5.53)	-	(5.53)	-	(5.53)
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	(8.22)	(8.22)
Non Controlling interest arising on set-up of new subsidiary and issue of fresh shares by existing subsidiary	-	-	-	-	-	-	-	-	5.40	5.40
Balance as at March 31, 2018	**149.13**	**470.62**	**16.54**	**480.10**	**(50.88)**	**1,065.51**	**0.25**	**1,065.76**	**47.38**	**1,113.14**
Balance as at April 1, 2018	**149.13**	**470.62**	**16.54**	**480.10**	**(50.88)**	**1,065.51**	**0.25**	**1,065.76**	**47.38**	**1,113.14**
Total profit for the year	-	261.61	-	-	-	261.61	-	261.61	15.19	276.80
Profit of Stock Reserve	-	-			-	-		-	-	-
Transfer from retained earnings				91.80	-	91.80	-	91.80	-	91.80
Transfer to General reserve	-	(91.80)	-	-	-	(91.80)	-	(91.80)	-	(91.80)
Loss on acquisition of additional stake in Solar Mining Services Pty Limited - South Africa	-	(0.87)	-	-	-	(0.87)	-	(0.87)	-	(0.87)
Other comprehensive income										-
Remeasurement loss on defined benefit plans	-	(0.12)	-	-	-	(0.12)	-	(0.12)	-	(0.12)
Net movement in Cash Flow Hedges					-	-	(0.42)	(0.42)	-	(0.42)
Exchange differences on translation of foreign operations	-	-	-	-	(40.28)	(40.28)	-	(40.28)	(6.43)	(46.71)

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

12A. Other Equity (Contd..)

	Reserves and surplus						Cash flow hedge reserve (Note 12A)	Total	Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Foreign currency translation reserve (Note 12A)	Total				
Transactions with owners				-				-		-
Dividend paid	-	(54.29)	-	-	-	(54.29)	-	(54.29)	(6.89)	(61.18)
Dividend distribution tax paid	-	(11.16)	-	-	-	(11.16)	-	(11.16)	(0.69)	(11.85)
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	(4.38)	(4.38)
Non Controlling interest arising on set-up of new subsidiary and issue of fresh shares by existing subsidiary	-	-	-	-	-	-	-	-	3.37	3.37
Balance as at March 31, 2019	**149.13**	**573.99**	**16.54**	**571.90**	**(91.16)**	**1,220.40**	**(0.17)**	**1,220.23**	**47.55**	**1,267.78**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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Number:139703W

per **Akshay Rathi**
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Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 1: Corporate Information

Solar Industries India Limited (the 'Holding Company') is a Group domiciled in India, with its registered office at ''Solar'' House 14, Kachimet, Amravati Road, Nagpur - 440023 (Maharashtra).The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Group to all period as mentioned in the Financial Statements.

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- 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.

New and amended standards adopted by the group

The group has adopted the following standards and amendments for the first time for their annual reporting period commencing Apr1, 2018:

Ind AS 115, Revenue from Contracts with Customers

Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

Appendix B. Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
Amendment to Ind AS 12, Income Tax
Amendment to Ind AS 28, Investment in Associates and Joint Ventures and Ind AS 112, Disclosure of Interest in Other Entities

The management has evaluated and concluded that the adoption of these amendments does not have any material impact on the consolidated financial statements.

Further, the application of Ind AS 115 did not hav any material impact on recognition and measurement principles related to revenue recognition of the Group. However, it results in additional presentation and disclosure requirements for the group. The group has updated presentation and disclosures in accordance with Ind AS 115 in the financial statements (also read with Note 22 to the financial statement).

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2019. 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)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

- 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.

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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the end of the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the 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 period / year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of 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. 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 recognized 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 recognized in profit or loss as incurred.

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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

The estimated useful life for Product related intangibles is 4 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

De-recognition of intangible assets.

Intangible assets are de-recognized either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

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 (years)	Useful life as prescribed under schedule II (years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 20
Wind Mill	22	22
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles(including Pump Trucks)	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6
Leasehold land	Over lease period	Over lease period

Assets	Group's estimate of useful life (years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology)	10
Product Development Cost	5

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The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment and other intangible assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI 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 or 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. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow

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of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

h. Leases

Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a

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specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss 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.

(i). Financial assets

Classification

Financial assets are classified, at initial recognition in the following measurement categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

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.

2. Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

B. Equity instruments:

The Group measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However, where the Group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset) 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

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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.

ii) 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 amortized cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss:

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) 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.

iv) Impairment of financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on

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financial assets. The Group measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Profit and Loss.

j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 37.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-120 days from shipment or delivery as the case may be.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of good or rendering of service, the Group considers the effects of variable consideration and provisional pricing, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

a. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

- **Volume rebates and discounts**

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

- **Powder Factor**

The Group estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer' site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

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b. **Significant financing component**

In many cases, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Hence, there is no financing component which needs to be separated.

ii. Sale of projects:

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

iii. Interest Income:

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

iv. Dividend:

Revenue is recognised when the Group's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. i (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

k. Government grants

Government grants are recognised 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.

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:

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- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

m. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Group and its Indian Subsidiaries for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance Group in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date. Overseas subsidiaries do not operate any defined benefit plans for employees.

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(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax 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 Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

<u>Sales/ value added taxes paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker of the Group.

(ii) Segment accounting policies

The Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Group have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

v. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset ,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies Management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statement:

Deferred Tax Liability on Retained Earnings

Nigeria Nigachem Limited, one of the step-down subsidiaries of the Holding Company, has declared dividend during the current year. However, it has not created deferred tax liability on the amount of unremitted earnings as on March 31, 2019, as per Para 39 of Ind AS12, as the Management has determined that the subsidiary will not be paying any further dividend in the foreseeable future and thus it would not be able to control the timing of reversal of the resultant temporary differences.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant & Equipment

The Group uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

y. Recent accounting pronouncements

Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issurance of the Solar Industries India Limited ("Group") financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto and is effective for annual periods beginning on or after Apri 1 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on –balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees-leases of "low-value" assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of –use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g.,a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases : operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after April 1, 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Group will adopt Ind AS 116 from financial year beginning April 1,2019, On adoption, the Group expect to recognise lease liabilities with corresponding ROU assets for certain leases where the Group is a lessee. The single lessee accounting model of Ind AS 116 will result in a front-loaded lease expense pattern. While the Group continues to evaluate certain aspects of Ind AS 116, it

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

does not expect Ind AS 116 adoption to have a material effect on its financial statements.

The Group is analyzing potential changes to the current accounting practices and are in the process of implementing the same in connection with the adoption of Ind AS 116.

In addition to Ind AS 116, the MCA has also notified the following changes which are effective from financial year beginning 1 April. The Group will adopt these changes from the date effective however, the adoption of these changes is unlikely to have any impact on the financial statements:

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 19:Plan Amendment, Curtailment or Settlement

Amendments to Ind AS 28:Long –term interests in associates and joint ventures

Annual Improvement to Ind AS (2018)

These Improvements include :

- Amendments to Ind AS 103 : Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111 : Joint Arrangements
- Amendments to Ind AS 12 : Income Taxes
- Amendments to Ind AS 23 : Borrowing Costs

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment

	Freehold Land	Leasehold Land*	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year ended March 31, 2018								
Gross carrying amount as at April 1, 2017[1]	101.51	0.85	321.78	6.79	362.26	24.54	6.61	824.34
Exchange differences	0.39	-	(0.14)	0.69	(1.85)	0.95	(0.64)	(0.60)
Additions	5.75	-	127.34	2.69	30.83	17.50	1.92	186.03
Disposals	-	-	(0.49)	-	(1.18)	(0.37)	(0.20)	(2.24)
Asset held for sale (refer note 3D)	(1.60)	-	-	-	-	-	-	(1.60)
Closing gross carrying amount as at March 31, 2018	**106.05**	**0.85**	**448.49**	**10.17**	**390.06**	**42.62**	**7.69**	**1005.93**
Accumulated depreciation								
Opening accumulated depreciation as at April 1, 2017[1]	-	-	17.27	2.08	35.90	5.15	2.21	62.61
Depreciation charge for the year	-	0.07	15.40	1.30	28.56	4.27	1.19	50.79
Disposals	-	-	(0.05)	-	(0.13)	(0.33)	(0.19)	(0.70)
Exchange differences	-	-	(0.09)	(0.07)	(0.23)	(0.05)	-	(0.44)
Closing Accumulated Depreciation as at March 31, 2018	**-**	**0.07**	**32.53**	**3.31**	**64.10**	**9.04**	**3.21**	**112.26**
Net Carrying Amount as at March 31, 2018	**106.05**	**0.78**	**415.96**	**6.86**	**325.96**	**33.58**	**4.48**	**893.67**
Year ended March 31, 2019								
Gross carrying amount as at April 1, 2018								
Opening gross carrying amount	106.05	0.85	448.49	10.17	390.06	42.62	7.69	1,005.93
Exchange differences	(0.30)	-	(14.31)	(0.59)	(5.00)	(1.48)	-	(21.68)
Additions	25.78	-	61.70	6.70	67.85	25.68	6.41	194.12
Assets held for sale (refer note 3D)	(0.06)	(0.47)						(0.53)
Disposals	(0.21)	-	(0.21)	-	(7.36)	(0.81)	(0.14)	(8.73)
Closing gross carrying amount as at March 31, 2019	**131.26**	**0.38**	**495.67**	**16.28**	**445.55**	**66.01**	**13.96**	**1169.11**
Accumulated Depreciation								
Opening accumulated depreciation as at April 1, 2018	-	0.07	32.53	3.31	64.10	9.04	3.21	112.26
Depreciation charge for the year	-	0.01	17.48	1.30	29.63	5.38	1.85	55.65
Disposals**	-	-	(0.09)	(0.00)	(4.58)	(0.76)	(0.14)	(5.57)
Exchange differences	-	-	0.27	(0.22)	0.96	0.83	0.18	2.02
Closing Accumulated Depreciation as at March 31, 2019	**0.00**	**0.08**	**50.19**	**4.39**	**90.11**	**14.49**	**5.10**	**164.36**
Net Carrying Amount as at March 31, 2019	**131.26**	**0.30**	**445.48**	**11.89**	**355.44**	**51.52**	**8.86**	**1004.75**
Capital Work-in-Progress as at March 31, 2019								**166.46**
Capital Work-in-Progress as at March 31, 2018								**96.84**

[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.

* Leasehold Land is amortised over useful life for the period of 99 years (Amounting to ₹ 0.07), 95 years (Amounting to ₹ 0.08) & 89 years (Amounting to ₹ 0.48) & 68 years (Amounting to ₹ 0.17) as per agreement.

The above property, plant and equipments are subject to first pari passu charge on the non current loans from banks and second Pari Passu charge on the working capital loans, both present and future.

The amount of borrowing costs capitalised during the year ended March, 31 2019 was ₹ 5.92 (March 31, 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation is in the range of 6.59% to 9.50%, which is the effective interest rate of the borrowing made specifically to acquire/ constructing the qualifying assets.

* Amount is less than ₹ 0.01 Crore as at March 31, 2019

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill

Impairment test for goodwill

Goodwill acquired through business combination has been considered for impairment testing.

Carrying amount of goodwill is:

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	8.14	8.14
Foreign currency exchange gain/(loss)	0.49	-
Balance at the end of the year	**8.63**	**8.14**

The recoverable value of Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi ('SPMS") ₹ 4.53 and Solar Mining Services Pty Ltd - Australia ('SMS-Aus') ₹ 3.39 CGUs as at March 31, 2019, for impairment assessment has been calculated based on value in use calculation using cash flow projections from financial budgets approved by senior management covering a four-year period. Long-term growth rate for cash flows beyond four years have been considered at 1%.

As a result of this analysis, management has concluded the recoverable value of CGUs exceed the carrying value of CGU (including goodwill).

Key assumptions used for value in use calculation and their sensitivity to changes

1. Sales growth rate
2. Discount rates

Sales growth rate: Sales growth rate has been considered at an average annual growth rate over the four-year forecast period; based on past performance and management's expectation of market development. In case of SMS-Australia, sales growth rate is based on the Managements assumptions of the current orders in hand, prospective customer base, market assessment of mining activity.

Discount rates - Discount rates represent the current market assessment of the risks specific to SPMS and SMS-Aus, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in cash flow estimates. The discount rate calculation is based on specific circumstances of the Group, SPMS and SMS-Aus and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group 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 pre-tax discount rate. The Goodwill impairment calculations are not sensitive to discount rates.

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 CGUs to exceed its recoverable amount.

The remaining amount of goodwill of ₹ 0.71 (March 31, 2018 ₹ 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, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset and Intangible assets under development

	Software & License	Product Development Cost	Transfer of Technology (ToT)[2]	Total
Year ended March 31, 2018				
Gross carrying amount as at April 1, 2017 [1]				
Opening gross carrying amount	0.65	-	6.64	7.29
Addition	0.01	-	16.42	16.43
Closing gross carrying amount as at March 31, 2018	**0.66**	**-**	**23.06**	**23.72**
Accumulated amortization				
Opening Amortisation of Intangible assets as at April1, 2017[1]	0.28	-	0.10	0.38
Amortisation for the year	0.18	-	1.69	1.87
Closing accumulated amortization as at March 31, 2018	**0.46**	**-**	**1.79**	**2.25**
Net carrying amount as at March 31, 2018	**0.20**	**-**	**21.27**	**21.47**
Year ended March 31, 2019				
Gross carrying amount as at April 1, 2018				
Opening gross carrying amount	0.66	-	23.06	23.72
Addition	1.98	7.81	2.40	12.19
Gross carrying amount as at March 31, 2019	**2.64**	**7.81**	**25.46**	**35.91**
Accumulated amortisation				
Opening Amortisation of Intangible assets as at April1, 2018	0.46	-	1.79	2.24
Amortisation for the year	0.31	1.26	2.58	4.16
Closing accumulated amortization as at March 31, 2019	**0.77**	**1.26**	**4.37**	**6.40**
Net carrying amount as at March 31, 2019	**1.87**	**6.55**	**21.09**	**29.51**
Intangible assets under development as at March 31, 2019				**11.09**
Intangible assets under development as at March 31, 2018				**10.56**

[1]Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Group as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Group.

[2]Others represents Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the group for manufacturing of products for India Armed Forces for limited period of 10 years.

Note 3D : Assets classified as held for sale

	March 31, 2019	March 31, 2018
Freehold Land	0.06	1.60
Leasehold Land	0.47	-
Total	**0.53**	**1.60**

As at March 31, 2019, the Group intended to dispose off freehold and leasehold land as it has no future plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments

Non-current Investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted					
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Pvt Ltd	₹ 10	4,90,000	4,90,000	0.49	0.49
Solar Bhatgaon Extension Mines Pvt Ltd	₹ 10	4,90,000	4,90,000	0.49	0.49
Provision for impairment				(0.98)	(0.98)
				-	-
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.11	0.11
				0.11	**0.11**
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	2.36	2.84
Investment in Mutual Fund (Quoted)					
ICICI Prudential Liquid Direct Plan	₹ 10	3,195	3,377	0.09	0.09
				2.45	**2.93**
Aggregate amount of investments				2.56	**3.04**

Current Investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Quoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
IDFC Limited	₹ 10	10,900	10,900	0.05	0.05
Edserv Soft Systems Ltd.	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.	₹ 1	5,000	5,000	-	-
Sunil Hitech Engineers Limited	₹ 1	-	1,16,000	-	0.10
Quoted					
Investment in Mutual Funds (fully paid-up) :					
HDFC Prudence Fund-Direct Plan-Growth Option	₹ 10	-	1,06,466	-	5.39
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	₹ 10	-	7,356	-	0.57
SBI Magnum Balanced Fund-Regular Growth	₹ 10	-	91,992	-	1.19
Kotak Balance Direct Plan Growth	₹ 10	-	6,96,211	-	1.77
Kotak Liquid Direct Plan Growth	₹ 10	79,339.89	-	30.03	-
Kotak Liquid Direct Plan Growth	₹ 1,000	-	658	-	0.23
Franklin India Balanced Fund - Direct - Growth	₹ 10	-	1,90,982	-	2.27
Franklin India Treasury Management Account-Super Institutional Plan-Direct-Growth	₹ 1,000	-	9,401	-	2.44
Aggregate amount of quoted investments and market value there of				30.08	**14.01**

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Loans

	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 31C)	0.01	8.54	-	-
- Employees	1.72	-	0.22	-
- Others (refer note 38)	0.15	-	11.48	65.42
Security Deposits	0.40	3.48	0.74	3.62
Earnest Money Deposits	-	0.11	-	-
Secured considered good				
Loan to others	-	-	-	14.38
	2.28	**12.13**	**12.44**	**83.42**

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties..
2. Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party.

Note 6. Other financial assets

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 33)	0.91	-	4.12	-
Interest rate swaps (refer note 33)	0.05	-	0.53	-
	0.96	**-**	**4.65**	**-**
Others				
State Government Incentive Receivables	94.71	11.21	46.21	27.95
Other receivables from associates (refer note 31C)	-	-	1.14	-
Claims receivable	-	0.59	0.01	-
Interest accrued but not due on fixed deposit	0.69	-	0.50	-
	95.40	**11.80**	**47.86**	**27.95**
	96.36	**11.80**	**52.51**	**27.95**

Note:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange option/forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

Note 7 : Trade receivables

	March 31, 2019	March 31, 2018
Trade receivables	421.61	395.21
Less: Impairment allowance	(22.57)	(31.63)
	399.04	**363.58**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables (contd..)

Break-up of Security Details

	March 31, 2019	March 31, 2018
Secured, considered good	11.31	8.19
Unsecured considered good	398.81	372.82
Trade Receivables - credit impaired	11.49	14.20
	421.61	395.21
Impairment allowance		
Unsecured, considered good	(11.08)	(17.43)
Trade Receivables - credit impaired	(11.49)	(14.20)
	(22.57)	(31.63)
	399.04	363.58

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Note 8 : Cash and Bank balances

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Balances with banks		
in current accounts	47.38	50.70
Deposit with Bank	12.25	-
Cheque on hand	0.41	0.83
Cash on hand	0.96	0.96
	61.00	52.49
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	12.51	4.31
Balances with Bank held as margin money against bank guarantee & other commitments	18.19	12.62
Earmarked balances with banks*	0.06	0.04
	30.76	16.97
Total cash and bank balances	91.76	69.46

*The Holding company can utilise this balance only towards settlement of unclaimed dividend.

Note 9A: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Allowance for doubtful debts - trade receivables	1.82	1.76
Unused Credit	0.46	0.44
Property, plant and equipments	0.43	(0.17)
Tax Losses	19.98	1.57
Other	6.42	3.54
	29.11	7.14

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 9A: Deferred tax Assets (contd..)

Reconciliation of deferred tax assets:

	March 31, 2019	March 31, 2018
Opening balance	7.14	5.57
Tax income/(expense) during the period recognised in profit or loss	21.99	1.50
Tax income/(expense) during the period recognised in other comprehensive income	(0.02)	0.07
Closing balance	29.11	7.14

Note 10 : Inventories

	March 31, 2019	March 31, 2018
Raw materials and packing materials (Includes stock in transit of ₹ 14.84 (March 31, 2018 : ₹ 8.65))	168.73	144.40
Work-in-progress	21.09	27.72
Finished goods (Includes stock in transit of ₹ 11.29 (March 31, 2018 : Nil))	41.56	27.31
Stock-in-trade (Includes stock in transit of ₹ 1.61 (March 31, 2018 ₹ 17.23))	34.65	17.23
Stores and spares (Includes stock in transit of ₹ 0.04 (March 31, 2018 : Nil))	15.69	14.15
Project inventory held for sale	1.02	1.61
	282.74	232.42

Note 11 : Other assets

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Capital advances	-	25.92	-	19.28
Prepayments	4.98	-	4.60	-
Prepaid of leasehold property	0.04	0.87	-	0.95
Advances to suppliers for goods & services	21.36	-	17.02	-
Advances to staff	0.36	-	1.09	-
Balances with revenue authorities	35.25	0.43	43.12	-
Other receivables	4.18	-	6.83	-
	66.17	27.22	72.66	20.23

Note 12 : Equity share capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Authorised equity share capital				
(face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 12 : Equity share capital (contd..)

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2017	9,04,90,055	18.10
As at March 31, 2018	9,04,90,055	18.10
As at March 31, 2019	9,04,90,055	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% Holding		No. of Shares	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Shri Manish Nuwal	27.88%	4.93%	2,52,32,069	44,64,301
Shri Kailashchandra Nuwal	23.08%	19.60%	2,08,82,963	1,77,39,095
Shri Satyanarayan Nuwal	14.63%	22.48%	1,32,39,254	2,03,43,695
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Smt. Leela Devi Nuwal	Nil	5.61%	Nil	50,75,940
Smt. Sohan Devi Nuwal	Nil	5.14%	Nil	46,49,690

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

Note 12A. Other equity

Securities premium

As at April 1, 2017	**149.13**
Movement for the year 2017-18	-
As at March 31, 2018	**149.13**
Movement for the year 2018-19	-
As at March 31, 2019	**149.13**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (contd..)

Retained earnings

As at April 1, 2017	**369.78**
Add : Profit for the year	220.55
Less : On account of merger	(0.96)
Less : Due to Turkey Acquisition	(39.25)
Less : Remeasurement loss on defined benefit plans	(1.16)
Less : Transfer to general reserve	(45.66)
Less : Final Dividend	(27.15)
Less : Tax on Final Dividend	(5.53)
As at March 31, 2018	**470.62**
Add : Profit for the year	261.61
Less : Transfer to General Reserve	(91.80)
Less : Remeasurement loss on defined benefit plans	(0.12)
Less : Transaction with Non-controlling interest- Loss on acquisition of additional stake in Solar Mining Services Pty Limited- South Africa	(0.87)
Less : Final Dividend	(54.29)
Less : Tax on Final Dividend	(11.16)
As at March 31, 2019	**573.99**

Capital reserve

As at April 1, 2017	**16.39**
Add : On account of merger	0.15
As at March 31, 2018	**16.54**
Movement for the year 2018-19	-
As at March 31, 2019	**16.54**

General reserve

As at April 1, 2017	**434.44**
Add : Transfer from retained earnings	45.66
As at March 31, 2018	**480.10**
Add : Transfer from retained earnings	91.80
As at March 31, 2019	**571.90**

Cash flow hedge reserve

As at April 1, 2017	**-**
Add : Net movement in Cash Flow Hedges	0.25
As at March 31, 2018	**0.25**
Add : Net movement in Cash Flow Hedges	(0.42)
As at March 31, 2019	**(0.17)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (contd..)

Foreign currency translation reserve

As at April 1, 2017	**(59.25)**
Add : Exchange differences on translation of foreign operations	8.37
As at March 31, 2018	**(50.88)**
Less : Exchange differences on translation of foreign operations	(40.28)
As at March 31, 2019	**(91.16)**

Total other equity

As at April 1, 2017	**910.49**
Movement for the year	155.27
As at March 31, 2018	**1,065.76**
Movement for the year	154.47
As at March 31, 2019	**1,220.23**

Nature and purpose of reserves

1 **Securities premium**

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2 **Capital reserve**

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

3 **General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

4 **Cash flow hedge reserve**

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit and loss when the hedged item affects profit and loss (e.g. interest payments).

5 **Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

6 **Retained Earnings**

Retained earnings are the profits that the Group has earned till date, less transfers to General Reserve and payment of dividend.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

12B. Distribution made and proposed

	March 31, 2019	March 31, 2018
Cash dividends on equity shares declared:		
Final cash dividend for the year ended on March 31,2018: ₹ 6 per share (March 31, 2017: ₹ 3 per share)	54.29	27.15
DDT on final dividend	11.16	5.53
	65.45	**32.68**
Proposed dividends on Equity shares *		
Final cash dividend for the year ended on March 31,2019: ₹ 7 per share (March 31, 2018: ₹ 6 per share)	63.34	54.29
DDT on proposed dividend	13.02	11.16
	76.36	**65.45**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon).

Note 13 : Non-current borrowings

	March 31, 2019	March 31, 2018
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks	153.79	190.10
Interest accrued but not due	0.39	-
Term loan	100.64	65.35
Sales tax deferral loan	0.47	0.56
Deferred Purchase Consideration	35.92	32.83
	291.21	**288.84**
Less: Amount shown under "Other current financial liabilities" (refer note 16A)		
Current maturities of long-term debt	(134.87)	(92.20)
Interest accrued but not due on non-current borrowings	(0.73)	(0.54)
	155.61	**196.10**

Note 14 : Current borrowings

	March 31, 2019	March 31, 2018
Secured at amortised cost		
From banks		
Foreign currency working capital loan	26.07	15.04
Working capital loan	253.64	205.10
Buyers credit	31.04	6.27
Others	3.52	1.40
Interest accrued but not due	0.12	-
Deferred Purchase Consideration	-	4.70
From related party (Refer note 31C)		
Associates	-	0.63
Key managerial personnel	-	0.79
	314.39	**233.93**
Less: Amount shown under "Other current financial liabilities" (refer note 16A)		
Interest accrued but not due on current borrowings	(1.47)	(4.65)
	312.92	**229.28**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of non-current Borrowing

	Maturity date	Terms of repayment	March 31, 2019	March 31, 2018
Secured				
Foreign currency term loan from Bank	July 9, 2018	Single repayment at the end of the term	-	16.19
Foreign currency term loan from Bank	September 28, 2018	Repayable in Four equal half yearly installment	-	6.22
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	23.78	44.33
Rupee Term Loan from Bank	March 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	-	6.27
Foreign currency term loan from Bank	August 31,2018	Repayable in eight equal half yearly installment	-	8.15
Foreign currency term loan from Bank	September 19, 2019	Single repayment at the end of the term	53.13	50.07
Foreign currency term loan from Bank	August 31,2021	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	49.18	-
Foreign currency term loan from Bank	September 27, 2019	Repayable in eight equal half yearly installment	8.64	24.44
Foreign currency term loan from Bank	January 30, 2020	Repayable in eight equal quarterly installment	19.05	40.59
Rupee Term Loan from Bank	August 01, 2021	Repayable in eight equal quarterly installment	50.00	-
Rupee Term Loan from Bank	January 30, 2020	Repayable in eight equal quarterly installment	0.13	0.11
Term Loan	June 26, 2022	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	50.52	58.49
Vehicle Loan	March 20, 2019	Repayable in equal monthly installment. Term Period - 30 months	-	0.10
Vehicle Loan	August 15, 2019	Repayable in equal monthly installment. Term Period - 24 months	-	0.49
Deferred purchase consideration	July 5, 2022	10 Quarterly Payments commencing from April 2018	35.92	32.83
Unsecured				
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.47	0.56
			290.82	**288.84**
Interest accrued but not due			0.39	-
			291.21	**288.84**

The above foreign currency term loan from Bank carries on interest rate of LIBOR + 130 bps to 212 bps.

The Indian rupee long term loan from Bank carries on interest rate of 9% to 2.7% + 1 year MCLR

Loan taken by overseas subsdiaries are taken at interest rate of 5.93% to 10.85%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of Current Borrowing

	Maturity date	Terms of repayment	March 31, 2019	March 31, 2018
Secured				
Foreign currency working capital loan from Bank	October 24, 2018	Single repayment at the end of the term	-	14.99
Foreign currency working capital loan from Bank	October 23, 2019	Single repayment at the end of the term	14.18	-
Buyer's credit	May 23, 2018	Single repayment at the end of the term	-	6.27
Buyer's credit	May 14, 2019	Single repayment at the end of the term	15.86	-
Buyer's credit	July 19, 2019	Single repayment at the end of the term	15.18	-
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	-	5.39
Local Currency Loan From Bank	April 10, 2018	Single repayment at the end of the term	-	26.15
Local Currency Loan From Bank	May 28,2018 and September 03, 2018	Single repayment at the end of the term	-	1.63
Local Currency Loan From Bank	July 19, 2018	Single repayment at the end of the term	-	29.71
Local Currency Loan From Bank	March 22, 2019	Repayable in equal monthly installment. Term Period - 18 months	-	0.17
Local Currency Loan From Bank	April 16, 2018	Repayable in equal monthly installment. Term Period - 6 months	-	0.29
Local Currency Loan From Bank	June 01, 2018	Repayable in equal monthly installment. Term Period - 6 months	-	1.05
Local Currency Loan From Bank	April 09, 2018	Single repayment at the end of the term	-	0.01
Local Currency Loan From Bank	April 25, 2018	Single repayment at the end of the term	-	0.01
Local Currency Loan From Bank	June 14, 2018	Repayable in equal monthly installment. Term Period - 9 months	-	2.41
Local Currency Loan From Bank	August 17, 2018	Repayable in equal monthly installment. Term Period - 9 months	-	0.80
USD Loan from Bank (For SOML it is Local Currency)	May 14, 2018	Single repayment at the end of the term	-	6.52
USD Loan from Bank (For SOML it is Local Currency)	January 31, 2019	Single repayment at the end of the term	-	102.70
USD Loan from Bank (For SOML it is Local Currency)	September 07, 2018	Single repayment at the end of the term	-	26.06
USD Loan from Bank	August 25, 2018	Single repayment at the end of the term	-	2.25
USD Loan from Bank	January 17, 2020	Single repayment at the end of the term	174.22	-
USD Loan from Bank	August 31, 2019	Single repayment at the end of the term	5.04	-
Local Currency Loan From Bank	July 07, 2019	Single repayment at the end of the term	1.93	-
USD Loan from Bank	August 16, 2019	Single repayment at the end of the term	3.04	-
USD Loan from Bank	May 23, 2019	Single repayment at the end of the term	3.82	-
Local Currency Loan From Bank*	April 14, 2019	Single repayment at the end of the term	0.00	-
Local Currency Loan From Bank	April 12, 2019	Single repayment at the end of the term	0.01	-
Local Currency Loan From Bank	April 12, 2019	Single repayment at the end of the term	0.02	-
Vehicle loan	October 11, 2019	Monthly instalments	0.06	-
Vehicle loan	August 15, 2019	Monthly instalments	0.12	-
Local Currency Loan From Bank	April 25, 2019	Monthly instalments	0.01	-
Local Currency Loan From Bank	June 11, 2019	Single repayment at the end of the term	24.88	-
Local Currency Loan From Bank	June 18, 2019	Single repayment at the end of the term	4.30	-
Local Currency Loan From Bank	August 05, 2019	Single repayment at the end of the term	6.45	-
Local Currency Loan From Bank	April 04, 2019	Single repayment at the end of the term	13.52	-
Local Currency Loan From Bank	On Demand	Single repayment at the end of the term	28.11	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of Current Borrowing

	Maturity date	Terms of repayment	March 31, 2019	March 31, 2018
Deferred purchase consideration	July 5, 2022	10 Quarterly Payments commencing from April 2018	-	4.70
Unsecured				
Loan from associates	On demand	On demand	-	0.63
Loan from associates	On demand	On demand	-	1.40
Loan from KMP	On demand	On demand	-	0.79
Loan from others	On demand	Mutual consent	3.52	-
			314.27	233.93
Interest accrued but not due			0.12	-
			314.39	233.93

* Amount is less than ₹ 0.01 Crores as at March 31, 2019

The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 28 bps to LIBOR + 130bps

The Indian rupee working capital loan from Bank and loan from related party carries rate of 1 year MCLR to 0.35% + 1year MCLR .

Loans taken by overseas subsidiaries are taken at interest rate of LIBOR+ 200 to LIBOR+ 700 and certain loans are from 9.75% to 29.40%

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable property, plant and equipement and second pari passu charge on the Group's current asset. Working capital loans have first Pari Passu charge on Group's entire current asset, both present and future and second Pari Passu charge on Group's entire property, plant and equipement assets, both present and future.

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio and debt service coverage ratio (DSCR). The Group has satisfied all debt covenants prescribed in the terms of bank loans.

The other loans do not carry any debt covenants. The Group has not defaulted on any loans payable

Note 15 : Trade payables

	March 31, 2019	March 31, 2018
Trade payables	163.30	143.33
	163.30	143.33

Trade payables are non-interest bearing and are normally settled on 60-day terms

For explanations on the Group's credit risk management processes, refer to Note 34

Note 16A : Other current financial liabilities

	March 31, 2019	March 31, 2018
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts	6.36	0.48
	6.36	0.48
Other financial liabilities at amortised cost		
Current maturities of long-term debt (refer note 13)	134.87	92.20
Interest accrued on non-current borrowings (refer note 13)	0.73	0.54
Interest accrued on current borrowings (refer note 14)	1.47	4.65
	137.07	97.39

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 16A : Other current financial liabilities (Contd..)

	March 31, 2019	March 31, 2018
Others		
Capital creditors	6.67	2.05
Employees related payable (including labour related)	18.65	14.67
Liabilities towards trade discounts	16.55	13.07
Unclaimed dividend	0.06	0.04
Other payable	-	0.66
	41.93	**30.49**
	185.36	**128.36**

Note 16B : Other non-current financial liabilities

	March 31, 2019	March 31, 2018
Capital Creditors	0.53	-
	0.53	**-**

Note 17A : Other current liabilities

	March 31, 2019	March 31, 2018
Statutory dues payables	27.29	22.88
Other current liabilities	0.16	2.58
Contract Liabilities	18.57	20.75
Other advances	0.47	0.51
	46.49	**46.72**

Note 17B : Other Non current liabilities

	March 31, 2019	March 31, 2018
Other advances	-	0.54
	-	**0.54**

Note 18 : Provisions

	March 31, 2019		March 31, 2018	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for gratuity	3.64	0.15	0.73	0.18
Provision for leave encashment	5.15	-	3.59	-
	8.79	**0.15**	**4.32**	**0.18**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2019	March 31, 2018
Current income tax:		
Current income tax charge	130.45	89.44
Adjustment of tax relating to earlier periods	(5.48)	(1.54)
Deferred tax:	-	-
Relating to origination and reversal of temporary differences	0.08	18.15
Tax expense reported in the statement of profit and loss	**125.05**	**106.05**

OCI section

Deferred tax related to items recognised in OCI during the year:

	March 31, 2019	March 31, 2018
Net gain/(loss) on cash flow hedges	(4.76)	0.13
Net (loss)/gain on remeasurements of defined benefit plans	(0.05)	(0.61)
Income tax charged to OCI	**(4.81)**	**(0.48)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :

	March 31, 2019	March 31, 2018
Accounting profit before tax	401.85	339.64
Computed expected tax expense @standard tax rate in India	137.13	117.55
Effect of:		
Corporate social responsibility expenditure	1.42	1.21
Dividend Distribution Tax recognised in Profit or loss	1.93	(0.10)
Research and developemnt expense	(3.64)	(1.20)
Items which are deductible for tax purpose	2.40	(5.09)
Income taxed at lower rates	(1.16)	-
Income tax for earlier years	(5.39)	(1.55)
Tax loss on which deferred tax not recognised	3.26	3.30
Previously unrecognized deferred tax assets now recognized to reduce deferred tax expense	(1.80)	(8.80)
Differences in overseas tax rates	(11.45)	-
Others	2.35	0.73
Total income tax expense	**125.05**	**106.05**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (contd..)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2019	March 31, 2018
Property, plant and equipement : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	146.16	128.14
Currency translation losses	1.39	-
Financial assets at fair value through profit or loss	(0.18)	0.09
Derivative Instruments at fair value through profit or loss	(1.91)	1.43
On account of merger	-	0.04
	145.46	**129.70**
Unclaimed credit	(19.49)	(19.41)
Provision for investments in associates	(0.34)	(0.34)
Provision towards trade receivables	(3.72)	(7.43)
Set off of deferred tax liabilities	(0.39)	-
Employee Benefits	(2.05)	(1.45)
	(25.99)	**(28.63)**
Net deferred tax (assets)/liabilities	**119.47**	**101.07**

Reconciliation of deferred tax liability:

	March 31, 2019	March 31, 2018
Opening balance	**101.07**	**84.01**
Tax (income)/expense during the period recognised in profit or loss	18.74	17.54
Tax (income)/expense during the period recognised in other comprehensive income	(0.27)	(0.48)
On account of Unclaimed credit	(0.07)	-
Closing balance	**119.47**	**101.07**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019 and March 31, 2018, the Group has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 20 : Revenue from operations

	March 31, 2019	March 31, 2018
Sale of products (Refer note 37)	2,387.94	1,894.25
Other operating revenue	73.63	57.22
	2,461.57	**1,951.47**

Revenue from operations for period upto June 30, 2017 includes excise duty amounting to ₹ 35.35. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with the Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid changes in indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable to the year ended March 31, 2018.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 21 : Other income

	March 31, 2019	March 31, 2018
Interest income		
On financial assets carried at amortised cost		
From others	1.95	1.96
On deposits with bank	2.04	1.31
Income tax refund	-	1.07
Profit on sale of investments carried at fair value through profit or loss	1.91	2.20
Net gain on financial assets mandatorily measured at fair value through profit and loss	0.01	0.47
Dividend income from equity investments designated at fair value through Profit and loss	0.16	0.30
Net gain on disposal of property, plant and equipment	0.22	0.14
Net gain on sale of financial assets carried at fair value through profit and loss	0.31	0.01
Net gain on foreign currency transaction and translation	0.46	3.24
Fair value gain on derivatives(net)	1.31	0.78
Miscellaneous income	6.35	0.62
	14.72	**12.10**

Note 22A : Cost of materials consumed

	March 31, 2019	March 31, 2018
Raw materials and packing material at the beginning of the year	108.99	113.50
Add: Purchases during the year	1,313.18	1,085.69
Less: Raw material and packing material at the end of the year	(168.71)	(138.60)
	1,253.46	**1,060.59**

Note 22B : Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2019	March 31, 2018
Opening balance		
Work-in progress	27.72	12.64
Finished goods	27.64	22.21
Stock in trade	52.08	0.51
	107.44	**35.36**
Closing balance		
Work-in progress	21.09	27.62
Finished goods	41.56	35.82
Stock in trade	34.65	9.32
	97.30	72.76
	10.14	**(37.40)**

Note 23 : Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries and wages (including bonus)	109.42	82.64
Remuneration to directors	10.14	8.88
Contribution to provident and other funds	7.68	6.16
Staff welfare expenses	4.05	2.40
Total - A	**131.29**	**100.08**
Labour charges (including bonus)	52.91	42.28
Total - B	**52.91**	**42.28**
Total expense (A+B)	**184.20**	**142.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses

	March 31, 2019	March 31, 2018
Consumption of stores and spares	15.93	11.64
Repairs and maintenance :		
Plant and machinery	9.49	10.49
Buildings	2.92	3.91
Others	8.69	6.22
Water and electricity charges	28.90	20.76
Rates and taxes	3.64	4.99
Legal and professional fees	14.43	24.30
Travel and conveyance	18.07	12.60
Export expenses	21.35	18.57
Sales commission expenses	14.12	18.90
Freight and forwarding charges	80.22	26.12
Transportation charges	23.35	58.26
Pump truck expenses	10.30	8.82
Security service charges	10.87	9.19
Sales promotion expenses	4.06	5.55
Donations	2.58	2.39
Advertisement expenses	16.99	1.11
Advance/ Investment written off	0.27	2.17
Allowance for doubtful debts - trade receivables	1.32	-
Directors' sitting fees	0.37	0.11
Exchange differences (net)	12.10	(10.73)
Bad debts written-off	7.34	15.77
Net loss on financial assets mandatorily measured at fair value through profit or loss	0.41	-
Fair value loss on derivatives (net)	9.78	-
Loan to others written off	-	0.50
Impairment loss on financial asset	3.64	0.16
Corporate social responsibility expenditure	5.17	4.44
Consultancy charges	1.89	0.82
Net loss on disposal of property, plant and equipment	0.97	-
Miscellaneous expenses (mainly includes printing , communication , postage , office expenses etc.)	45.32	41.57
	374.49	**298.63**

Notes 25 : Finance costs

	March 31, 2019	March 31, 2018
Interest on borrowings*		
To banks	40.90	30.85
To related party	-	0.77
To others	7.66	1.10
Exchange differences regarded as an adjustment to borrowing cost*	1.31	-
	49.87	**32.72**

*Net of borrowing cost capitalised (refer note 3A)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 26 : Depreciation and amortization expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant & equipments (note 3A)	55.64	50.79
Amortization of intangible assets (note 3C)	4.16	1.87
Less : Transfer to intangible asset under development	(0.91)	(1.37)
	58.89	**51.29**

Note 27 : Earnings per share (EPS)

	March 31, 2019	March 31, 2018
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS:	261.61	220.55
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 (₹)	**28.91**	**24.37**
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 viz. 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 an insurance company 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 summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense recognized in statement of Profit and Loss

	March 31, 2019	March 31, 2018
Service cost	1.35	1.47
Net interest cost	0.07	-
	1.42	**1.47**

Other Comprehensive Income

	March 31, 2019	March 31, 2018
Opening balance recognized in OCI	-	-
Actuarial gain / (loss) on liabilities	(0.07)	(1.81)
Actuarial gain / (loss) on assets	(0.10)	0.04
	(0.17)	**(1.77)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 28 : Employee Benefit obligations (contd..)

The amount recognized in Balance Sheet

	March 31, 2019	March 31, 2018
Present value of funded obligations	15.72	11.57
Fair value of plan assets	11.93	10.66
Net defined benefit liability / (assets) recognized in balance sheet	**3.79**	**0.91**

Change in Present Value of Obligations

	March 31, 2019	March 31, 2018
Opening of defined benefit obligations	11.57	8.01
Service cost	3.51	1.31
Interest Cost	0.89	0.55
Benefit Paid	(0.21)	(0.11)
Actuarial (Gain)/Loss on total liabilities	(0.04)	1.81
Closing of defined benefit obligation	**15.72**	**11.57**

Change in Fair Value of Plan Assets

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	10.66	8.09
Actual Return on Plan Assets	0.72	0.59
Employer Contribution	0.76	2.09
Benefit Paid	(0.21)	(0.11)
Closing fair value of plan assets	**11.93**	**10.66**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2019	March 31, 2018
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2019	March 31, 2018
Discount Rate	7.05% to 7.63% p.a.	7.69% to 7.75% p.a.
Rate of increase in Compensation levels	5%	5.00% to 11.44% p.a.
Rate of Return on Plan Assets	7.69% to 7.75% p.a.	6.8% 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 2018-19

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(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, 2019	Impact (Absolute)	Impact (%)
Base Liability	15.72		
Increase Discount Rate by 0.50%	15.33	(0.39)	-2.46%
Decrease Discount Rate by 0.50%	16.13	0.41	2.60%
Increase Salary Inflation by 1%	16.53	0.81	5.13%
Decrease Salary Inflation by 1%	14.98	(0.74)	-4.69%
Increase in Withdrawal Assumption by 5%	16.26	0.54	3.42%
Decrease in Withdrawal Assumption by 5%	14.75	(0.97)	-6.18%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and attrition rate.

2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Note 29 : Commitments and contingencies

Capital Commitments

	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances)	21.07	60.31

Contingent liabilities

	March 31, 2019	March 31, 2018
Guarantees excluding financial guarantees		
Corporate guarantees given by the Group on behalf of its wholly owned overseas subsidiary in respect of loans taken	299.07	277.95
Guarantees given by Group's Bankers on behalf of the Group, against sanctioned letter of credit (SBLC's)	-	33.95
Claims against the Group not acknowledged as debts (Note a)		
Excise related matters	6.21	6.80
Sales tax / VAT related matters	4.66	17.12
Income tax related matters	2.32	3.20

Note a : The Group is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Note b : There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group does not expect to have a significant impact of the above ruling. The Group will evaluate and update its provision, on receiving further clarity on the subject.

Lease Commitments

The group has taken certain assets on lease for a term generally ranging from a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies (contd..)

Lease Commitments (Contd..)

	March 31, 2019	March 31, 2018
Lease payments recognised during the year	7.76	6.86
Within one year	0.39	0.30
Later than one year but not later than five years	0.42	0.59
More than five years	1.21	7.01

Note 30. Information on related pary transactions as required by IND AS 24-Related Party Disclosures

Name		Country	% Equity interest	
			March 31, 2019	March 31, 2018
A	**Indian subsidiaries**			
1	Economic Explosives Limited	India	100.00 %	100.00 %
2	Blastec (India) Private Limited	India	100.00 %	100.00 %
3	Emul Tek Private Limited	India	100.00 %	100.00 %
4	Solar Defence Limited (Note i)	India	100.00 %	100.00 %
5	Solar Defence Systems Limited (Note - i)	India	100.00 %	100.00 %
B	**Overseas subsidiary**			
1	Solar Overseas Mauritius Limited	Mauritius	100.00 %	100.00 %
C	**Overseas step down subsidiaries**			
1	Solar Mining Services Pty Limited, South Africa	South Africa	86.74 %	74.00 %
2	Nigachem Nigeria Limited	Nigeria	55.00 %	55.00 %
3	Solar Overseas Netherlands B.V.	Netherlands	100.00 %	100.00 %
4	Solar Explochem Zambia Limited	Zambia	65.00 %	65.00 %
5	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey	100.00 %	100.00 %
6	P.T. Solar Mining Services (Note - i)	Indonesia	100.00 %	100.00 %
7	Solar Explochem (Ghana) Limited (Note - ii)	Ghana	0.00 %	80.00 %
8	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey	53.00 %	53.00 %
9	Solar Nitro Ghana Limited (Note - i)	Ghana	90.00 %	90.00 %
10	Solar Madencilik Hizmetleri A.S	Turkey	100.00 %	100.00 %
11	Solar Overseas Netherlands Cooperative U.A	Netherlands	99.99 %	99.99 %
12	Solar Overseas Singapore Pte Ltd	Singapore	100.00 %	100.00 %
13	Solar Industries Africa Limited	Mauritius	100.00 %	100.00 %
14	Solar Nitro Zimbabwe (Private) Limited (Note - i & iv)	Zimbabwe	100.00 %	0.00 %
15	Solar Nitro chemicals Limited (Note - i)	Tanzania	65.00 %	65.00 %
16	Solar Mining Services Pty Ltd, Australia*	Australia	76.00 %	76.00 %
17	Solar Industrias Mozambique LDA (Note - iii).	Mozambique	0.00 %	100.00 %

Note i : The entity has not commenced its business operations

Note ii : The entity is under liquidation.

Note iii : The entity liquidated on October 18,2018

Note - iv : The entity is incorporated on October 10, 2018

* Formerly known as Australian Explosives Technologies Group Pty Limited

Note 31 : Related Party Disclosures

A Names of related parties and related party relationship :

I Associates

SMS Bhatgaon Mines Extension Private Limited

Solar Bhatgoan Extension Mines Private Limited

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 31 : Related Party Disclosures (contd..)

II Entities with Joint control or significant influence over the entity

ASTRA Resources Pty Limited

III Key Management Personnel (KMP) (Holding Company)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Kailashchandra Nuwal (Vice Chairman and Executive Director)

Shri Manish Nuwal (Managing Director and CEO)

Shri Roomie Dara Vakil (Executive Director) (Resigned w.e.f. May 11, 2018)

Shri Suresh Menon (Executive Director) (Appointed w.e.f. May 11, 2018)

Shri Anil Kumar Jain (Executive Director)

Shri Nilesh Panpaliya (Chief Financial Officer)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III A Relatives of Key Management Personnel (KMP)

Smt Leeladevi Nuwal

Smt Indiradevi Nuwal

Smt Sohandevi Nuwal

Smt Seemadevi Nuwal

IV Non executive directors*

Shri Anant Sagar Awasthi

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Smt Madhu Vij

* Non Executive Independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2018-19

The Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

V Enterprises, over which control or significant influence is exercised by individuals listed in 'III' above (with whom transactions have taken place)

Solar Synthetics Private Limited

Commercial Sales Corporation

Solar Initiating Systems Limited - (Note 1)

Solar Enlightment Foundation

VI Other related parties

Post employment benefit plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

Refer to Note 28 for information on transactions with post employment benefit plans mentioned above

Note 1 :- The entity have been merged with Economic Explosives Limited with effect from April 01, 2017 pursuant to order dated:- March 16, 2018.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

B. Transactions with related parties during the year

Nature of Transaction	March 31, 2019	March 31, 2018
Purchase of raw material and components		
Solar Synthetics Private Limited	0.08	0.09
Total	**0.08**	**0.09**
Other Expenditure		
Solar Synthetics Private Limited	0.19	0.20
Total	**0.19**	**0.20**
Rent paid		
Solar Synthetics Private Limited	0.06	0.06
Smt. Indiradevi Nuwal	0.02	0.02
Total	**0.08**	**0.08**
Purchase of shares of SISL *		
Shri Satyanarayan Nuwal	-	0.00
Shri Kailashchandra Nuwal	-	0.00
Shri. Manish Nuwal	-	0.00
Shri. Rahul Nuwal	-	0.00
Smt. Leeladevi Nuwal	-	0.00
Smt. Indiradevi Nuwal	-	0.00
Smt. Sohandevi Nuwal	-	0.00
Total	**-**	**0.00**
Loans given during the year		
ASTRA Resources Pty Limited	7.19	-
Total	**7.19**	**-**
Loans repaid during the year		
Commercial Sales Corporation	(0.63)	(21.20)
Shri Kailashchandra Nuwal	(0.06)	-
Shri Satyanarayan Nuwal	(0.73)	-
Total	**(1.42)**	**(21.20)**
Other income		
SMS Bhatgaon Mines Extension Private Limited	0.06	0.11
Solar Bhatgoan Extension Mines Private Limited	0.01	0.01
Total	**0.07**	**0.12**
Balance Written off		
SMS Bhatgaon Mines Extension Private Limited	1.00	-
Solar Bhatgoan Extension Mines Private Limited	0.14	-
Total	**1.14**	**-**
Donation made		
Solar Enlightenment Foundation	0.62	0.63
Total	**0.62**	**0.63**
Interest Received		
ASTRA Resources Pty Limited	0.23	0.10
Total	**0.23**	**0.10**
Interest Paid		
Commercial Sales Corporation	0.05	0.40
Shri Kailashchandra Nuwal *	0.00	-
Shri Satyanarayan Nuwal	0.05	-
Total	**0.10**	**0.40**
Remuneration to KMP #		
Shri Satyanarayan Nuwal	2.70	2.70
Shri Kailashchandra Nuwal	2.70	2.70
Shri Manish Nuwal	2.70	2.70
Shri Roomie Dara Vakil	0.03	0.27
Shri Suresh Menon	0.84	-
Shri Anil Kumar Jain	0.42	0.33
Shri Nilesh Panpaliya	0.32	0.29
Mrs. Khushboo Pasari	0.11	0.09
Total	**9.82**	**9.08**

*Amount is less than ₹ 0.01 in March 31, 2019 & in March 31, 2018

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

B. Transactions with related parties during the year (Contd..)

Nature of Transaction	March 31, 2019	March 31, 2018
Sitting fees		
Shri Anant Sagar Awasthi	0.02	0.02
Shri Dilip Patel	0.05	0.03
Shri Ajai Nigam	0.04	0.02
Shri Amrendra Verma	0.03	0.02
Smt Madhu Vij	0.03	0.02
Total	**0.17**	**0.11**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Group as a whole and individual amounts are not determinable.

C. Balance outstanding at the year end were as follows:

Nature of Transaction	March 31, 2019	March 31, 2018
Other receivables		
SMS Bhatgaon Mines Extension Private Limited	-	1.01
Solar Bhatgoan Extension Mines Private Limited	-	0.14
Total	**-**	**1.15**
Loans given		
ASTRA Resources Pty Limited	8.55	9.37
Total	**8.55**	**9.37**
Loans taken		
Commercial Sales Corporation	-	0.63
Shri Kailashchandra Nuwal	-	0.06
Shri Satyanarayan Nuwal	-	0.73
Total	**8.55**	**1.42**
Trade Receivables/ Other Receivables		
Solar Synthetics Private Limited *	-	0.00
Total	**-**	**0.00**
Other payables		
Solar Synthetics Private Limited	0.03	-
Shri Satyanarayan Nuwal	0.07	0.20
Shri Manish Nuwal	0.08	0.22
Shri Kailashchandra Nuwal	0.08	0.24
Total	**0.26**	**0.66**
Payable for Purchase of Shares of SISL*		
Shri Satyanarayan Nuwal	-	0.00
Shri Kailashchandra Nuwal	-	0.00
Shri Manish Nuwal	-	0.00
Shri Rahul Nuwal	-	0.00
Smt. Leeladevi Nuwal	-	0.00
Smt. Indiradevi Nuwal	-	0.00
Total	**-**	**0.00**

*Amount is less than ₹ 0.01 in March 31, 2018

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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Note 32 : 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, 2019	March 31, 2018
India	1,412.18	1,143.84
Outside India	975.76	750.41
Total	2,387.94	1,894.25

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, 2019	March 31, 2018
India	987.31	841.71
Outside India	260.35	209.20
Total	1,247.66	1,050.91

There is only one customer individually contributing more than 10% of Group's revenue, total amount of revenue from such customer for the year ended on March 31, 2019 is ₹ 418.53 (March 31, 2018 is ₹ 331.43)

Note 33: Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives) , trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

3. The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : Fair Value Measurements (Contd..)

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. The fair values for loans given are calculated based on discounted cash flows discounted using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

5. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy . The own non-performance risk as at March 31, 2019 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, 2019 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					
Loans	14.41	5	-	14.41	-
Other financial assets (except derivatives)	107.20	6	-	-	-
Trade receivables	399.04	7	-	-	-
Cash and cash equivalents	61.00	8	-	-	-
Bank balances other than cash and cash equivalents	30.76	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	2.36	4	-	2.36	-
Investment in equity instruments (quoted)	0.05	4	0.05	-	-
Investment in mutual funds	30.12	4	30.12	-	-
Fair Value through OCI					
Derivative Instruments	0.96	6	-	0.96	-
Total Financial assets	**646.01**		**30.17**	**17.84**	**-**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	155.61	13	-	155.61	-
Current	312.92	14	-	312.92	-
Trade payables	163.30	15	-	-	-
Other financial liabilities (except derivatives)	179.53	16	-	-	-
Fair Value through Profit and loss					
Derivative Instrument not designated as hedge	6.36	16	-	6.36	-
Total Financial liablities	**817.72**		**-**	**474.89**	**-**

There have been no transfers among Level 1, Level 2, and Level 3 during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 33 : 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, 2018 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					
Loans	95.86	5	-	95.86	-
Other financial assets (except derivatives)	75.81	6	-	-	-
Trade receivables	363.58	7	-	-	-
Cash and cash equivalents	52.49	8	-	-	-
Bank balances other than cash and cash equivalents	16.97	8	-	-	-
Investment in government securities (NSC)	-	4	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	2.84	4	-	2.84	-
Investment in equity instruments (quoted)	0.15	4	0.15	-	-
Investment in mutual funds (quoted)	13.95	4	13.95	-	-
Fair Value through OCI					
Derivative Instruments	4.65	6	-	4.65	-
Total Financial assets	**626.41**		**14.10**	**103.46**	**-**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	196.10	13	-	196.10	-
Current	229.28	14	-	229.28	-
Trade payables	143.33	15	-	-	-
Other financial liabilities (except derivatives)	127.88	16	-	-	-
Fair Value through Profit and Loss					
Derivative Instruments not designated as hedge	0.48	16	-	0.48	-
Total Financial liabilities	**697.07**		**-**	**425.86**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Note 34: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

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 Loan	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options contracts/forward
Market Risk- Equity price risk	Investment in Equity Securities mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Aging Analysis Credit Analysis	Diversification of credit limits and letters of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the Instruments	Currency	March 31, 2019	March 31, 2018
Derivatives designated as hedge			
Interest rate swap *	USD	0.00	-

* Amount is less than USD 0.01 Crore in March 31, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

0.5 % changes in interest rate will increase/ decrease the borrowing cost by ₹ 3.01.

The Group does not have significant investment in Bank Deposits and hence not significantly exposed to Interest rate sensitivity.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Group's 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 ₹ 210.90 (March 31, 2018: ₹ 211.41). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Group has taken foreign exchange forward 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 Instruments	Currency	March 31, 2019	March 31, 2018
Derivatives not designated as hedge			
Forward contract	USD	2.05	1.00
Call spread	USD	0.84	2.14

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2019			March 31, 2018		
	USD	EURO	SEK	USD	EURO	SEK
Trade Receivable	114.44	5.05	-	48.88	6.47	-
Loan and other receiavable	9.87	0.13	-	2.61	-	-
Borrowings	10.13	-	-	84.07	-	-
Capital Creditors	-	(3.60)	0.20	-	-	-
Trade Payables	59.46	0.11	-	26.07	-	0.06

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2019	March 31, 2018
USD	0.55	(0.59)
EURO	0.01	0.06
SEK*	0.00	(0.00)

*Amount is less than SEK 0.01 Crore in March 31, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

	March 31, 2019	March 31, 2018
Investment in equity shares (quoted)	0.05	0.15
Investment in mutual funds	30.12	13.95

The impact of increases/ decreases of the BSE/ NSE index on the Group's equity shares and mutual funds and gain/ loss for the period would be ₹ 0.30 (March 31, 2018: ₹ 0.14). 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 subsidiaries and certain unrelated parties. However there is no counter party risk. (refer Note 5 for details)

Investments: The Group limits its exposure to credit risk by generally investing in liquid securities and counterparties that have a good credit ratings. The Group does not expect any credit losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

Trade and other receivables:

The Group measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2019	254.45	90.04	77.12	**421.61**
As at March 31, 2018	231.71	71.59	91.91	**395.21**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2019	March 31, 2018
Opening balance	31.63	34.45
Provided/(reversal) during the year	6.15	-
Amounts written off	(1.74)	-
Utilisation of provisions	(13.47)	(2.82)
Closing balance	**22.57**	**31.63**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2019						
Borrowings						
From related party (net of interest accrued but not due)	-	-	-	-	-	**-**
From Banks (net of interest accrued but not due)	28.11	28.49	381.99	124.91	-	**563.49**
From Others	3.52	-	-	35.92	-	**39.44**
Sales Tax Deferral Loan	-	0.12	-	0.35	-	**0.47**
Trade payables	1.33	103.32	58.65	-	-	**163.30**
Other financial liabilities	0.06	19.54	24.53	0.53	-	**44.66**
Derivative Instruments	-	1.25	5.11	-	-	**6.36**
As at March 31, 2018						
Borrowings						
From related party (net of interest accrued but not due)	1.42	-	-	-	-	**1.42**
From Banks (net of interest accrued but not due)	37.93	18.03	263.14	195.09	-	**514.20**
From Others	1.40	-	-	-	-	**1.40**
Sales Tax Deferral Loan	-	-	0.09	0.46	0.01	**0.56**
Trade payables	-	143.09	0.25	-	-	**143.33**
Other financial liabilities	0.04	14.77	20.87	-	-	**35.68**
Derivative Instruments	-	-	0.48	-	-	**0.48**

Note 35: 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 35: Capital Management (Contd..)

	March 31, 2019	March 31, 2018
Net debt	499.34	446.21
Equity	1,238.33	1,083.86
Capital and net debt	**1,737.67**	**1,530.07**
Net Gearing ratio	**28.74%**	**29.16%**

Calculation of net debt is as follows:

	March 31, 2019	March 31, 2018
Borrowings		
Non-Current	155.14	195.54
Current	312.92	229.28
Current maturities of long-term debt	134.87	92.20
	602.93	**517.02**
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	73.51	56.80
Current Investments	30.08	14.01
	103.59	**70.81**
Net Debt	**499.34**	**446.21**

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, 2019.

Note 36 : Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiries/associates/joint ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
(A) Solar Industries India Ltd.	51.85 %	885.05	71.03 %	191.29
		885.05		**191.29**
(B) Indian subsidiaries -				
1. Economic Explosives Limited	22.43 %	382.91	18.79 %	50.59
2. Blastec (India) Private Limited	0.17 %	2.83	-0.43 %	(1.15)
3. Emul Tek Private Limited*	0.00 %	(0.08)	-0.13 %	(0.36)
4. Solar Defence Limited*	0.00 %	0.04	0.00 %	(0.00)
5. Solar Defence Systems Limited*	0.00 %	0.04	0.00 %	(0.00)
		385.74		**49.08**
(C) Overseas subsidiaries				
1. Solar Mining Services Pty Limited, South Africa	1.41 %	24.05	-12.38 %	(33.34)
2. Nigachem Nigeria Limited	2.04 %	34.74	3.20 %	8.61
3. Solar Overseas Netherlands B.V.	3.49 %	59.50	-2.17 %	(5.84)
4. Solar Explochem Zambia Limited	3.33 %	56.85	8.56 %	23.05
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	4.02 %	68.66	7.96 %	21.43
6. P.T. Solar Mining Services	0.17 %	2.98	0.00 %	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 36 : Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiries/associates/joint ventures (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
7. Solar Explochem (Ghana) Limited	0.00%	-	0.00%	-
8. PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.00%	-	0.00%	-
9. Solar Nitro Ghana Limited*	0.33%	5.67	0.00%	(0.00)
10. Solar Madencilik Hizmetleri A.S	0.18%	3.11	0.92%	2.47
11. Solar Overseas Netherlands Cooperative U.A	4.90%	83.62	1.41%	3.79
12. Solar Overseas Singapore Pte Ltd	0.13%	2.14	-0.06%	(0.17)
13. Solar Industries Africa Limited	-0.01%	(0.23)	-0.25%	(0.68)
14. Solar Nitro Zimbabwe (Private) Limited*	0.00%	0.00	0.00%	-
15. Solar Nitrochemicals Limited	-0.07%	(1.20)	-0.17%	(0.46)
16. Solar Mining Services Pty Ltd, Australia	-0.46%	(7.85)	-1.63%	(4.39)
17. Solar Industrias Mozambique LDA	0.00%	-	0.00%	-
18. Solar Overseas Mauritius Limited (Standalone)	6.10%	104.04	5.37%	14.47
		436.07		**28.94**
(D) Minority Interests in all subsidiaries	1.96%	33.52	4.73%	12.73
		33.52		**12.73**
(E) Indian Associates (Investment as per the equity method)				
1. Solar Bhatgaon Extension Mines Pvt. Limited	0.06%	1.07	0.05%	0.14
2. SMS Bhatgaon Mines Extension Pvt. Limited	0.05%	0.77	0.38%	1.01
		1.84		**1.15**
(F) Entites with joint control or significant influence over the Entity				
Astra Resources Pvt Ltd.	0.11%	1.81	-0.02%	(0.06)
		1.81		**(0.06)**

* Amount is less than ₹ 0.01 in March 31, 2019

Note 37. Revenue from operations:

a. Principle revenue generation activity

The Group is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

	March 31, 2019	March 31, 2018
India	1,412.18	1,143.84
Outside India	975.76	750.41
Total	2,387.94	**1,894.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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, 2019.

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, 2019	March 31, 2018
Trade Receivables	399.04	363.58
Contract Liabilities	18.57	20.75

d. Set out below is the amount of revenue recognised from

	March 31, 2019	March 31, 2018
Amounts included in contract liabilities at the beginning of the year	16.12	13.12
Performance obligation satisfied in previous years	(9.46)	1.12

Decrease in contract liability is mainly on account of receipt from customers and revenue recognized during the year.

e. Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	March 31, 2019	March 31, 2018
Revenue as per contracted price	2,425.99	1,905.77
Adjustments for:	-	-
Rebates, Discounts and Powder Factor deductions	(38.05)	(11.52)
Revenue from contract with customers	**2,387.94**	**1,894.25**

f. 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, 2019, the aggregate amount of the transaction price allocated to order backlog was ₹ 985.86. The Group expects to recognise revenue within the range from 90% to 95% of the order backlog through 2019-20.

Note 38. Exeptional items

Chhattisgarh Mineral Development Corporation (CMDC), SMS Infrastructure Limited (SMS) and the Holding Company (SOLAR) entered into a joint venture agreement (JVA) dated September 12, 2008 to develop and operate the coal block. As per the tender condition, the Company made a payment of ₹ 45.11 to CMDC for coal mining project. Following companies namely (i) Bhatgaon Mines Private Limited ("BMPL"); and (ii) Bhatgaon Extension Mines Private Limited ("BEMPL") were incorporated for this purpose and transactions made by the Company before forming of the aforesaid companies were incorporated in the books of BEMPL and BMPL and reflected as loan given in Company's books. The Holding Company made further payments of ₹ 12.09 to BEMPL, BMPL, and other JV companies (SPVs) for coal block business purposes.

On July 19, 2013, CMDC terminated the JVA citing failure on part of SOLAR and SMS to perform their obligations. Further, the coal blocks got de-allocated by Ministry of Coal due to unsatisfactory progress. Due to de-allocation of coal blocks and considering the uncertainty, the Board of Directors of the Holding Company approved not to charge interest on loans given to BEMPL and BMPL from FY 2012-13. Due to termination of JVA, SOLAR and SMS initiated arbitration proceedings against CMDC for recovery of their investments. Arbitration was awarded in favour of SOLAR and SMS vide order dated April 9, 2018 and accordingly, CMDC made a payment of ₹ 73.60 including interest of ₹ 19.16 to BMPL.

The said amount received by BMPL was apportioned between SOLAR and SMS in the ratio of their respective investments made. Accordingly, the Holding Company has received an amount of ₹ 51.15 (including interest of ₹ 13.30) as against the total investments of ₹ 57.19 (in form of loans to BEMPL & BMPL disclosed under Note 5 as 'Non current loans' amounting to ₹ 56.05 and other receivables from SPVs disclosed under Note 6 as 'Other financial assets' amounting to ₹ 1.14). Accordingly, the Holding Company has recognised interest income of ₹ 13.30 and written off the balance amount of ₹ 19.35, and disclosed the net amount of ₹ 6.05 under exceptional items in the Consolidated Statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Note 39: Research & Development Expenditure

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.

	March 31, 2019	March 31, 2018
Revenue Expenditure	14.28	17.07
Capital Expenditure	5.40	2.21
Total	**19.68**	**19.28**

Note 40 : The financial statements were approved for issue by the Board of Directors on May 09, 2019

As per our report of even date attached

For **Akshay Rathi & Associates**
Chartered Accountants
ICAI Firm Registration
Number:139703W

per **Akshay Rathi**
Proprietor
Membership No.- 161910

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

For and on behalf of the Board of Directors of
Solar Industries India Limited

S.N. Nuwal
Chairman &
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Khushboo Pasari
Company Secretary
Membership No.- F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

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 (All amounts in ₹ Crores, unless otherwise stated)

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Name of Subsidiaries	Economic Explosives Limited	Blastec (India) Private Limited	Emul Tek Private Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Overseas Mauritius Ltd	Solar Overseas Netherlands Cooperatie U.A.	Solar Overseas Netherlands B.V.	Solar Overseas Singapore Pte Ltd	Nigachem Nigeria Ltd	Solar Explochem Zambia Ltd	Solar Industries Africa Limited	PT.SOLAR MINING SERVICES	Solar Mining Services Pty Ltd (South Africa)	Solar Mining Services Pty Limited (Australia)	Solar Nitro Chemicals Limited	Solar Explochem Ghana lmited	Solar Nitro Ghana Limited	Solar Madencilik Hizmetleri A.S	Solar Nitro Zimbabwe Private Limited	Solar Patlayici Maddeler San. Ve Tic. Ano Sirketi
Particulars																					
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate																					
Capital	4.80	9.90	4.98	0.05	0.05	38.82	79.85	89.48	3.25	8.17	0.02	0.76	4.70	57.81	0	0.3	0	5.9	0.96	-	14.74
Reserves	378.11	(7.07)	(5.06)	(0.01)	(0.01)	65.22	3.76	(29.98)	(1.11)	26.57	56.83	(1.00)	(1.72)	(33.76)	-7.85	-1.5	0	-0.23	2.15	-	49.68
Total Assets	587.23	17.37	2.94	0.05	0.05	415.20	197.00	118.42	4.76	147.48	97.45	9.23	2.99	222.09	46.43	2.84	-	13.00	20.71	-	187.73
Total Liabilities	587.23	17.37	2.94	0.05	0.05	415.20	197.00	118.42	4.76	147.48	97.45	9.23	2.99	222.09	46.43	2.84	-	13.00	20.71	-	187.73
Details of Investments (Except Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	366.95	43.00	0.10	-	-	28.96	-	-	-	172.20	117.75	-	-	86.71	5.27	-	-	-	54.74	-	317.00
Profit before Taxation	75.22	(1.26)	(0.30)	-	-	14.93	3.79	(5.85)	(0.17)	24.13	40.38	(0.68)	-	(53.52)	(10.59)	(0.71)	-	-	3.22	-	28.09
Provision for Taxation	24.30	(0.07)	0.05	-	-	0.45	-	-	-	8.46	4.87	-	-	(15.03)	(4.80)	-	-	-	0.75	-	6.63
Profit after Taxation	50.92	(1.19)	(0.35)	-	-	14.48	3.79	(5.85)	(0.17)	15.67	35.51	(0.68)	-	(38.48)	(5.79)	(0.71)	-	-	2.47	-	21.45
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	100%	Fellow Subsidiaries														

Part “B” Associates

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

	Share of Associates held by the Company on the year end						Profit/Loss for the year			
Sr. No.	**Name of Associates**	**Latest audited Balance Sheet Date**	**No. of Shares**	**Amount of Investment in Associates (in Crores)**	**Extent of Holding %**	**Networth attributable of Shareholding as per latest audited Balance Sheet (in Crores)**	**Considered in Consolidated (in Crores)**	**Not Considered in Consolidation (in Crores)**	**Description of how there is significant influence**	**Reason why the Associate is not consolidated**
1	SMS Bhatgaon Mines Extension Private Limited	31.03.2019	490000	0.49	49	0.49	0.00	-	Note-A	-
2	Solar Bhatgaon Extension Mines Private Limited	31.03.2019	490000	0.49	49	0.49	0.00	-	Note-A	-

Note : A. There is no significant influence due to % of Share Capital.

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

For and on behalf of Board
Solar Industries India Limited

S.N Nuwal
Chairman
Executive Director
DIN: 00713547

Manish Nuwal
Managing Director &
CEO
DIN:00164388

Khushboo Pasari
Company Secretary
Memebership No. F7347

Nilesh Panpaliya
Chief Financial Officer

Place : Nagpur
Date : May 09, 2019

Notice

Calling 24th Annual General Meeting

SOLAR INDUSTRIES INDIA LIMITED
(CIN: L74999MH1995PLC085878)
Registered Office: "Solar" House,14, Kachimet, Amravati Road, Nagpur -440023 (MH).
Tel: +91-0712-6634555/50 I Fax: 91-0712-2500200/2560202,
E-mail id: investor.relations@solargroup.com I Website: www.solargroup.com

INVITATION

May 09, 2019

Dear Members,

You are cordially invited to attend the 24th Annual General Meeting of the members of **Solar Industries India Limited** ('the Company') scheduled to be held on **Wednesday, July 31, 2019 at 01:00 p.m. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspeth, Nagpur – 440 010, Maharashtra.**

The Notice of the meeting, containing the business to be transacted, is enclosed herewith.

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

Very truly yours,

(Khushboo A. Pasari)
Company Secretary &
Compliance officer

Enclosures:
1. Notice to the 24th Annual General Meeting (AGM)
2. Instructions for e-voting
3. Route Map
4. Attendance Slip
5. Proxy Form
6. Ballot Form

Notice

Calling 24th Annual General Meeting

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of the members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) will be held on **Wednesday, July 31, 2019 at 01:00 p.m. at Hotel Tuli Imperial, Central Bazar, Ramdaspeth, Nagpur – 440010, Maharashtra** to transact the following businesses:

Ordinary Business:

ITEM NO. 1

Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statement) of the Company for the financial year ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2

Final Dividend:

To declare a Final Dividend of ₹ 7/- (Rupees seven only) per equity share for the year ended on March 31, 2019.

ITEM NO. 3

Appointment of Shri Kailashchandra Nandlal Nuwal (DIN: 00374378) as a Director liable to retire by rotation:

To appoint a Director in place of Shri Kailashchandra Nandlal Nuwal (DIN: 00374378), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO.4

Re-appointment of Shri Dilip Keshavlal Patel (DIN: 00013150) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 16(1)(b)and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Shri Dilip Keshavlal Patel (DIN: 00013150), who was appointed as a Non Executive Independent Director for a period beginning from April 1, 2014 to March 31, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and whose appointment was approved by the Board in their meeting held on March 30, 2019 with effect from April 01, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, who being eligible for re-appointment on a second term, be and is hereby re-appointed as a Non Executive Independent Director of the Company, not liable to retire by Rotation and to hold office for second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024 on the Board of Directors of the Company.

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

ITEM NO.5

Re-appointment of Shri Ajai Govindprasad Nigam (DIN: 02820173) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Shri Ajai Govindprasad Nigam (DIN: 02820173), who was appointed as a Non Executive Independent Director for a period beginning from April 1, 2014 to March 31, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and whose appointment was approved by the Board in their meeting held on March 30, 2019 with effect from April 01, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, who being eligible for re-appointment on a second term, be and is hereby re-appointed as a Non Executive Independent Director of the Company, not liable to retire by Rotation and to hold office for second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024 on the Board of Directors of the Company.

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

ITEM NO.6

Re-appointment of Shri Amrendra Prasad Verma (DIN: 00236108) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 16(1)(b)and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Shri Amrendra Prasad Verma (DIN: 00236108), who was appointed as a Non Executive Independent Director for a period beginning from April 1, 2014 to March 31, 2019 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and whose appointment was approved by the Board in their meeting held on March 30, 2019 with effect from April 01, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, who being eligible for re-appointment on a second term, be and is hereby re-appointed as a Non Executive Independent Director of the Company, not liable to retire by Rotation and to hold office for second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024 on the Board of Directors of the Company.

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

ITEM NO.7

Re-appointment of Shri Anant Sagar Awasthi (DIN: 00228429) as Non-Executive Independent Director of the Company to hold office for a Second term of 1 (One) year with effect from April 1, 2019 to March 31, 2020:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulations 16(1)(b), 17(1A) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) Shri Anant Sagar Awasthi (DIN: 00228429), who was appointed as a Non Executive Independent Director beginning from April 1, 2014 to March 31, 2019, and who has exceeded the age of 75 years and has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and whose appointment was approved by the Board in their meeting held on March 30, 2019 with effect from April 01, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, who being eligible for re-appointment on a second term, be and is hereby re-appointed as a Non Executive Independent Director of the Company, not be liable to retire by rotation and to hold office for second term of 1 (One) year with effect from April 1, 2019 to March 31, 2020 on the Board of Directors of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 14(1A) of SEBI(LODR) (Amendment Regulation, 2018) approval be and is hereby accorded for appointing/continuing the directorship of Shri Anant Sagar Awasthi who has exceeded the age of 75 years.

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

ITEM NO.8

Ratification of Cost Auditor`s Remuneration for the financial year ended March 31, 2020.

To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and 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), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified.

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

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary &
Compliance Officer

Date : May 09, 2019
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

NOTES:

1. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 3 to 8 of the accompanying Notice are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument of proxy in order to be effective, must be deposited at the registered office of the company, duly completed and signed not less than 48 hours before the meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

   Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.

4. Disclosure pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and Clause1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment /re-appointment as Director and/or relating to remuneration of Directors is incorporated in the annexure to the notice.

5. **Book Closure**

   Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from **Saturday, July 20, 2019 to Wednesday, July 31, 2019 (both days inclusive)** for annual closing and determining the names of members eligible for Final Dividend on Equity Shares for the FY 2018-19 if declared at 24th Annual General Meeting.

6. The Register of Directors & KMP and their shareholding maintained under section 170 of Companies Act, 2013 will be available for inspection at the AGM.

7. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, M/s Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083 quoting Registered folio number, details of their Bank Account/Change in Bank Account, if any to enable the Company to print these details on the Dividend warrants, and change in their address, if any, with Pin Code Number. Members holding shares in electronic form shall address communication to their respective Depository Participants only.

8. **Dividend**

   Subject to the provisions of Section 126 of the Companies Act, 2013, the payment of Dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after **August 23, 2019** as under:

   a) To all those beneficial owner(s) holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on **July 19, 2019.**

   b) To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on **July 19, 2019.**

9. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.

11. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.

12. During the FY 2018-19, the Company has transferred to the Investor Education & Protection Fund, the unclaimed Final Dividend for the year 2010-2011 and the Interim Dividend for the year 2011-12.

    During the current financial year 2019-20, Company will be required to transfer the unclaimed Final Dividend for the year 2011-12 and Interim Dividend for the year 2012-13. Those Members who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or write to the Company in the matter to enable the Company to issue Demand Drafts in lieu thereof.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 31, 2018 (date of last Annual General Meeting) on the website of the Company **(www.solargroup.com)**, and also on the website of the Ministry of Corporate Affairs.

During the FY 2018-19, Company has transferred in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for the Seven or more consecutive financial year (i.e. From the financial year 2010-11) in accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.

During the current financial year 2019-20, Company will be required to transfer the Shares in respect of which dividend has not been paid or claimed for the Seven consecutive financial year (i.e. From financial year 2011-12). Those Members who have not claimed/ encashed their dividends in the last seven consecutive years from 2011-12 are requested to claim the same by August 10, 2019. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer are uploaded on the "Investors Relations" Section of the website of the Company viz. **https://www.solargroup.com.**

Members may note that, the unclaimed dividend and the shares if transferred to IEPF Authority, such unclaimed dividend and the shares including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the procedure prescribed under the rules.

13. Green Initiative

In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.

14. Members who have not registered their E-mail addresses so far are requested to register their E-mail address with the Company for the purpose of service of documents viz. Annual Report, Notice of General Meetings, etc. by email.

15. SEBI vide its Circular No. SEBI/LAD NRO/GN/2018/24 dated June 08, 2018, amended Regulation 40 of Listing Regulations pursuant to which from April 1, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

    Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

    SEBI vide Press Release dated March 27, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of March 31, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer..

16. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.

17. Members/Proxies are requested to bring the copies of Annual Reports to the meeting.

18. A route map showing direction to reach the venue of the 24th Annual General Meeting is given at the end of this notice as per requirement of the Secretarial Standard-2 on "General Meeting".

19. Voting through Electronic means:

    In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **Tuesday, July 23, 2019** (End of Day) being the Cut-off date (Record date) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by CDSL.

    The instructions for shareholders voting electronically are as under:

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

        (i) The voting period begins on **Sunday, July 28, 2019 at 10.00 a.m. and ends on Tuesday, July 30, 2019 till 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, July 23, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

        (ii) The shareholders should log on to the e-voting website **www.evotingindia.com.**

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **SOLAR INDUSTRIES INDIA LIMITED** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com,** under help section or write an email to **helpdesk.evoting@cdslindia.com.**

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

(i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading 'C' below for more details.

(ii) Members may alternatively opt for e-voting, Please follow steps from sr. no. (i) to sr. no. (xvii) Under heading 'A' above to vote through e-voting platform.

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

(i) Regulation 44 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Shri Tushar Pahade Partner at M/s Joshi Pahade & Associates, Practicing Company Secretaries, Unit: Solar Industries India Limited. C/o. Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 to reach by **5.00 p.m. on Tuesday, July 30, 2019.** Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

(ii) In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

D. General Instructions

(i) The Company has appointed Shri Tushar Pahade Partner at M/s Joshi Pahade & Associates, Practicing Company Secretaries (FCS No. 7784 CP No. 8576), having address Unit: Solar Industries India Limited. C/o. Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083, as a Scrutiniser for conducting the e-voting process,(including voting through Ballot Form received from the members) in a fair and transparent manner.

(ii) The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

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

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary &
Compliance Officer

Date : May 09, 2019
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

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013.

Item No. 3

As regards re-appointment of retiring Director Shri Kailashchandra Nandlal Nuwal (DIN: 00374378) referred to in Item No. 3, of the Notice, brief resume of Shri Kailashchandra Nuwal, his nature of expertise in specific functional areas, names of Companies in which he hold directorships/chairmanship of Board Committees, shareholding and relationships between directors is provided in the Annexure attached to the Notice. The Board of Directors recommends his re-appointment.

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

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

Item No.4, 5 and 6

Shri Dilip Patel (DIN: 00013150), Shri Ajai Nigam (DIN: 02820173) and Shri Amrendra Verma (DIN: 00236108) were appointed as a Non- Executive Independent Directors on the Board of the Company by the members at the 19th AGM of the Company for a period of 5 (five) consecutive years commencing from April 1, 2014 upto March 31, 2019.

The Board of Directors at their meeting held on March 30, 2019, based on the performance evaluation and recommendations of the Nomination and Remuneration Committee have approved the re-appointment of Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma as a Non- Executive Independent Directors of the Company, not liable to retire by rotation to hold office for a second term of 5 (Five) consecutive years subject to approval of the Shareholders.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of draft letters of appointment of Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

The details of Shri Dilip Patel, Shri Ajai Nigam and Shri Amrendra Verma, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in Annexure attached to the Notice.

Except the appointee directors with regard to the resolution of their respective re-appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the members.

Item No.7

Shri Anant Sagar Awasthi (DIN: 00228429) was appointed as a Non- Executive Independent Director on the Board of the Company by the members at the 19th AGM of the Company for a period of 5 (five) consecutive years commencing from April 1, 2014 upto March 31, 2019.

The Board of Directors at their meeting held on March 30, 2019, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee have approved the re-appointment of Shri Anant Sagar Awasthi as a Non- Executive Independent Director of the Company, not liable to retire by rotation to hold office for a second term of 1 (One) year subject to approval of the Shareholders.

Further, the present age of Shri Anant Sagar Awasthi is 78 years. The Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notified on June 7, 2018 and effective from April 1, 2019 (Listing Regulations), prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Shri Anant Sagar Awasthi is a M.A, LLB and an IAS officer of the batch of 1956. He is in good physical condition and of sound and alert mind and the Board is confident about him being able to function and discharge his duties in an able and competent manner. Considering his seniority, expertise and vast experience in the field of administration and compliances, which has benefited the Company immensely, the Board recommends his appointment for further period of 1(one) year with effect from April 1, 2019 to March 31, 2020 as a Non-Executive Independent Director of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing regulations.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

The Company has also received declarations from Shri Anant Sagar Awasthi that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Shri Anant Sagar Awasthi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board, Shri Anant Sagar Awasthi fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment of Shri Anant Sagar Awasthi setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

The details of Shri Anant Sagar Awasthi, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors are provided in Annexure attached to the Notice.

Except Shri Anant Sagar Awasthi, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

Ratification of Cost Auditor`s Remuneration

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Deepak Khanuja Partner of M/s Khanuja Patra & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2019-20 ending on March 31, 2020 at the Audit Fees of ₹ 135,000/- (Rupees One Lakhs Thirty Five Thousand only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors and Key Managerial personnel or their relatives of the Company are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

By Order of the Board of Directors,
For **Solar Industries India Limited**

(Khushboo A. Pasari)
Company Secretary
& Compliance Officer

Date : May 09, 2019
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

Annexure to Item No. 3, 4, 5, 6 and 7

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard on General Meetings issued by the institute of Company Secretaries of India (SS–2), the particulars of Directors who are proposed to be appointed / reappointed and/or whose remuneration is proposed to be increased at this 24th Annual General Meeting, are given below:

As on March 31, 2019

Name of the Director	**Shri Kailashchandra Nandlal Nuwal**	**Shri Dilip Keshavlal Patel**
Date of Birth	06/07/1957	20/10/1947
Date of Appointment	25/10/2005	18/06/2008
Nationality	Indian	Indian
Qualifications	Graduate	B.E. (Chemical Engineer)
Brief Profile	Shri Kailashchandra Nandlal Nuwal has been associated with the Solar Group's multiple ventures. A key driver of the Group's Strategic Planning function, he is critical to its evolution as an industry leader and has been instrumental in the Group consistently sustaining a leadership position in explosives used in the infrastructure and housing segments. With his intuitive knowledge of industry trends, he has a deep understanding of the market pulse, which he is constantly applying for the benefit of the Company and its stakeholders.	Shri Dilip Patel is a chemical engineer from IIT Kanpur, and Masters in Financial Management from Bajaj Institute, Mumbai. He has worked with Sicom, a state-level financial institution for about 30 years in various capacities, including 7 years tenure as its General Manager. His experience proves of great help in dealing with projects in all aspects including identification, implementation, financing, revival and rehabilitation etc. He was head of Merchant Banking and Management of equity portfolio including direct investments in listed/ unlisted companies as well as in primary and secondary markets. He has also conceptualised privatisation from concept to execution of Sicom, a Govt. of Maharashtra Development Bank.
Disclosure of relationship between directors inter-se	Brother of Shri Satyanarayan Nuwal, Uncle of Shri Manish Nuwal	Not related to any Director / Key Managerial Personnel
Expertise in Specific Functional Area	He possess instinctive knowledge of market trends of explosives industry.	He possess strong financial, communication and leadership skills.
Number of Shares held in the Company	2,08,82,963	Nil
List of the Directorship/ Partnership held in other companies/LLP (Excluding Foreign Companies & Section 8 Company)	1. Economic Explosives Limited 2. Solar Processors (Bhilwara) Ltd 3. Solar Synthetics Private Limited 4. Solar Defence Limited 5. Solar Defence Systems Limited 6. Sundrop Developers And Ventures LLP	1. Godavari Drugs Limited 2. Malladi Drugs And Pharmaceuticals Limited 3. Economic Explosives Limited 4. Minex Metallurgical Company Limited
Chairman/ Member in the committees of Board of other Companies in which he/she is the Director	Nil	**1. Godavari Drugs Ltd.** **Chairman** - Audit Committee, Nomination and Remuneration Committee. **Member** - Stakeholders Relationship Committee **2. Malladi Drugs and Pharmaceuticals Limited** **Chairman** - Audit Committee and CSR Committee. **Member** - Nomination and Remuneration Committee **3. Economic Explosives Limited** **Chairman** - Audit Committee, Nomination and Remuneration Committee **4. Minex Metallurgical Company Limited** **Chairman**- Audit Committee **Member** - Nomination and Remuneration Committee

	Shri Ajai Govindprasad Nigam	Shri Amrendra Prasad Verma	Shri Anant Sagar Awasthi
	29/08/1949	29/12/1952	14/01/1941
	27/10/2009	05/11/2012	25/10/2005
	Indian	Indian	Indian
	M. Sc (Chemical Engineering), LLB	M.A	MA, LLB and an IAS Officer
	Shri Ajai Nigam is M.Sc. (Chem. Engg.) and L.L.B. He retired as Chief Controller of Explosives, Govt. of India, Petroleum & Explosives Safety Organization (PESO) Nagpur and has 34 years of experience in the Department in various capacities. He was also associated with various development activities of PESO including establishment of Fireworks Research & Development Centre at Sivakasi and revamping of new website of PESO. He held the charge of Explosives Testing Station at Gondkhieri, Nagpur from 1992 to 1994. During his charge, four Laboratories were established at the station and made functional. He acted as a Chairman of various Technical Committees of Govt. of India and also presented 16 papers at various National/ International forums.	He had joined SBI in 1975 as probationary officer. During his career in the Bank, he gained expertise in various assignments in India as well as in offices abroad. He has also held the position of GM of International Division. He was the President and COO of SBI Capital Markets Limited. He also headed the bank as Deputy Managing Director Mid Corporate Group, SBI and Deputy Managing Director & Chief Credit and Risk Officer, SBI. After superannuation from Bank in December 2011, he served as an Advisor in the Bank till July 2012. He is also a Director in Security & Intelligence Services (India) Limited.	Shri Anant Sagar Awasthi, aged 78 years, is an MA, LLB and an IAS Officer of the batch of 1965. At the start of his career as an IAS Officer, he started with the position as an Assistant Commissioner Sales Tax. At the time of his retirement in the year 2001 he was Director (Higher Education/ Special Secretary Education, Government of Delhi. During his career he has hold several posts in the capacity of Joint Director in Departments like Industries, Social Welfare, Food and Civil etc. He also held positions like Director Personnel MCD, Director Public Grievances, Senior General Manager, Delhi State Civil Supply Corporation and S.D.M., Delhi.
	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
	He has deep understanding of Explosives Act, rules, regulations along with the wide experience in Explosives Industry.	He has deep knowledge in Finance and Banking sector.	He has vast experience in administration and compliance.
	Nil	Nil	Nil
	Economic Explosives Limited	1. Electro Steel Castings Ltd 2. Security and Intelligence Services (India) Limited 3. Economic Explosives Limited 4. ADI Chitragupta Finance Limited	Nil
	Economic Explosives Limited **Member-** Nomination and Remuneration Committee and Corporate Social Responsibility Committee.	**1. Security & Intelligence Services (India) Limited** **Chairman -** Audit Committee and Stakeholders Relationship Committee **Member -** Nomination & Remuneration Committee **2. Electro Steel Casting Limited** **Member -** Audit Committee **3. Economic Explosives Limited** **Member -** Audit Committee **Chairman -** Nomination & Remuneration Committee	Nil

For other details such as number of meetings of the board and committees attended during the year, remuneration drawn, please refer to the Corporate Governance Report.

SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

Registered Office: "Solar" House, 14, Kachimet, Amravati Road, Nagpur -440023 (MH).

Tel: +91-0712-6634555/50 I Fax: 91-0712-2500200/2560202,

E-mail id: investor.relations@solargroup.com I Website: www.solargroup.com

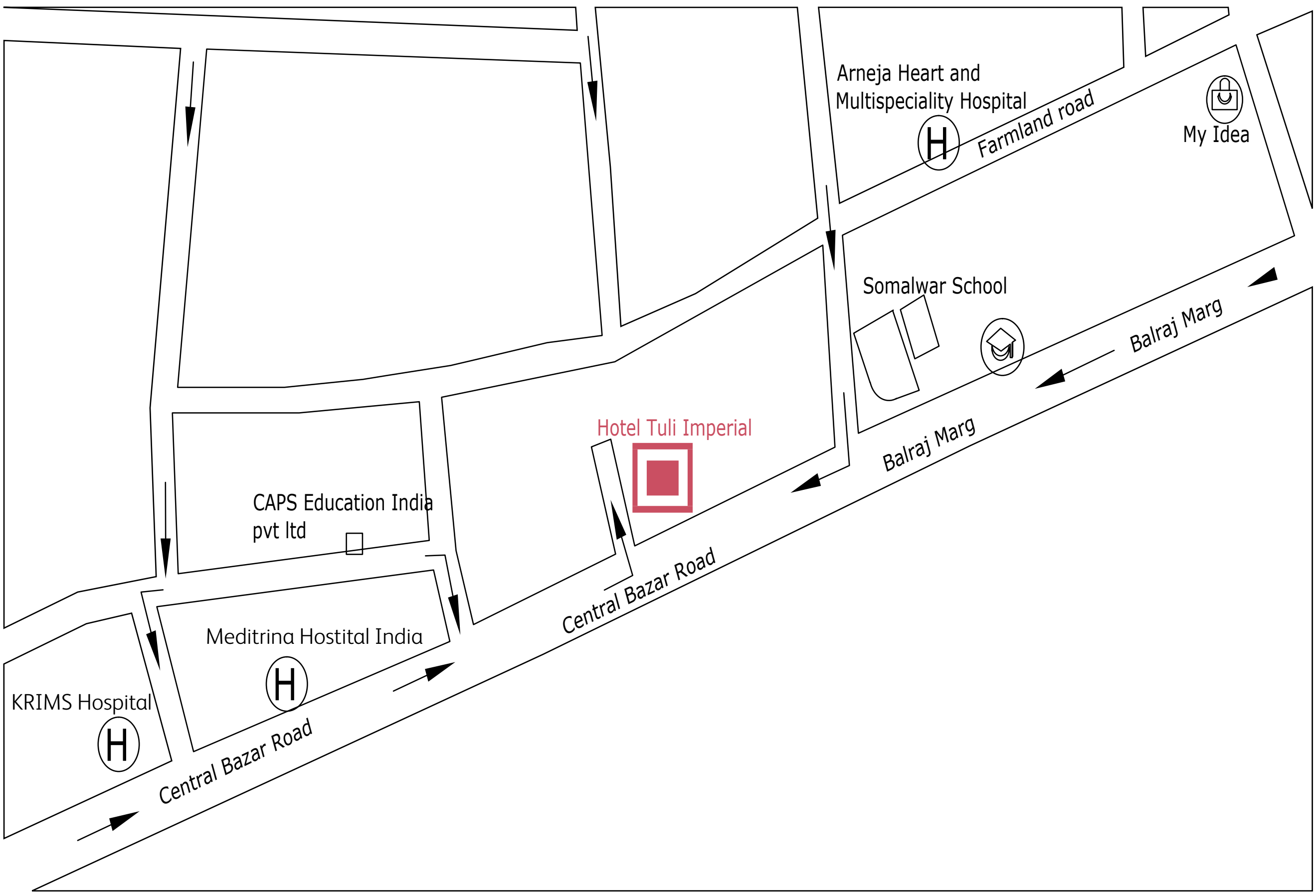
ROUTE MAP

Route Map to the AGM Venue of:

Solar Industries India Limited,

24th Annual General Meeting,

Wednesday, July 31, 2019 at 01:00 p.m.



Venue:

Hotel Tuli Imperial,

Central Bazar Road,

Ramdaspeth,

Nagpur - 440010,

Maharashtra.

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E-mail id: investor.relations@solargroup.com I Website: www.solargroup.com

ATTENDANCE SLIP

24th Annual General Meeting – July 31, 2019

Name and Address of the Member	Registered Folio Number	Client ID & DP ID Number	Number of Shares held

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company to be held on Wednesday, July 31, 2019 at 01:00 P.M. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspeth, Nagpur – 440 010, Maharashtra.

Signature of the Member or the Proxy Attending the Meeting

If Member, please sign here	If Proxy, please sign here

Note:

1. Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members are requested to bring their copies of Notice and Annual Report to the Meeting as the same will not be circulated at the meeting.

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Tel: +91-0712-6634555/50 I Fax: 91-0712-2500200/2560202,

E-mail id: investor.relations@solargroup.com I Website: www.solargroup.com

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Solar Industries India Limited

Registered office : "Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023 (MH).

Name of the member (s) : ______________________________

Registered address : ______________________________

E-mail ID : ______________________________

Folio No/ Client ID : ______________________________

DP ID : ______________________________

I/We, being the member(s) of ____________________ shares of the above named company, hereby appoint:

(1) Name : ____________________ Address : ____________________

E-mail Id : ____________________ Signatory : ____________ ____________or failing him

(2) Name : ____________________Address : ____________________

E-mail Id : ____________________ Signatory : ____________________or failing him

(3)Name:____________________Address:____________ ____________

E-mail Id : ____________________ Signatory : ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Fourth Annual General Meeting** of the Company, to be held on **Wednesday, July 31, 2019 at 01.00 P.M. at Hotel Tuli Imperial, Central Bazar Road, Ramdaspeth, Nagpur – 440010, Maharashtra** and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Brief Particulars of Resolution	I / We assent to the resolution (FOR)	I / We dissent to the resolution (AGAINST)
ORDINARY BUSINESS			
1.	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statement) for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Final Dividend on equity shares of the Company for the financial year ended March 31, 2019.		
3.	Appointment of Shri Kailashchandra Nandlal Nuwal (DIN: 00374378) as a Director liable to retire by rotation.		
SPECIAL BUSINESS			
4.	Re-appointment of Shri Dilip Keshavlal Patel (DIN: 00013150) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
5.	Re-appointment of Shri Ajai Govindprasad Nigam (DIN: 02820173) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
6.	Re-appointment of Shri Amrendra Prasad Verma (DIN: 00236108) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
7.	Re-appointment of Shri Anant Sagar Awasthi (DIN: 00228429) as Non-Executive Independent Director of the Company to hold office for a Second term of 1 (One) year with effect from April 1, 2019 to March 31, 2020.		
8.	Ratification of Cost Auditor`s Remuneration for the financial year ended March 31, 2020.		

Affix
One Rupee
Revenue
Stamp
here & sign

Place :

Date :

____

Signature of Shareholder(s)

Notes

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The Proxy need not be a member of the Company.
3. A person can act as a Proxy on behalf of the member not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. It is optional to put "X" in the appropriate column against the Resolution indicated in the Box. If you leave "FOR" or "AGAINST" column blank against any or all resolution(s), your proxy will be entitled to vote in the manner as he/she thinks appropriate.

SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)

Registered Office: "Solar" House, 14, Kachimet, Amravati Road, Nagpur -440023 (MH).

Tel: +91-0712-6634555/50 I Fax: 91-0712-2500200/2560202,

E-mail id: investor.relations@solargroup.com I Website: www.solargroup.com

BALLOT FORM

(Please read carefully the instructions printed overleaf before completing this form)

Sr. No. ___________

1. Name : ____

   Registered Address of Sole / First named Shareholder

   (IN BLOCK LETTERS) : ____

2. Name(s) of Joint Shareholder(s), if any : ____

   (IN BLOCK LETTERS)

3. Registered Folio No. / DP ID No.*/ : ____

   Client ID No.* (*Applicable to Investors holding shares in dematerialised form)

4. Number of Shares held (Equity Share of ₹ 2/- each) : ____

5. I/We hereby exercise my/our vote in respect of the Ordinary/Special Resolution(s) to be passed for the business stated in the Notice of the **Twenty Fourth Annual General Meeting** of the Company scheduled on **Wednesday, July 31, 2019**, by conveying my / our assent (FOR) or dissent (AGAINST) to the said Resolution(s) by placing the tick (√) mark in the appropriate box below:

Item No.	Brief Particulars of Resolution	I / We assent to the resolution (FOR)	I / We dissent to the resolution (AGAINST)
ORDINARY BUSINESS			
1.	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statement) for the financial year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Final Dividend on equity shares of the Company for the financial year ended March 31, 2019.		
3.	Appointment of Shri Kailashchandra Nandlal Nuwal (DIN: 00374378) as a Director liable to retire by rotation.		
SPECIAL BUSINESS			
4.	Re-appointment of Shri Dilip Keshavlal Patel (DIN: 00013150) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
5.	Re-appointment of Shri Ajai Govindprasad Nigam (DIN: 02820173) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
6.	Re-appointment of Shri Amrendra Prasad Verma (DIN: 00236108) as a Non-Executive Independent Director of the Company to hold office for a Second term of 5 (Five) consecutive years with effect from April 1, 2019 to March 31, 2024.		
7.	Re-appointment of Shri Anant Sagar Awasthi (DIN: 00228429) as Non-Executive Independent Director of the Company to hold office for a Second term of 1 (One) year with effect from April 1, 2019 to March 31, 2020.		
8.	Ratification of Cost Auditor`s Remuneration for the financial year ended March 31, 2020.		

Place:

Date:

____

Signature of the Shareholder

INSTRUCTIONS

1. Members may fill up the ballot form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Shri Tushar Pahade, partner at M/s. Joshi Pahade & Associates, Practicing Company Secretaries at the address given below :

   Shri Tushar Pahade,
   Partner at M/s. Joshi Pahade & Associates,
   Practicing Company Secretaries
   Unit: Solar Industries India Limited.
   C/o.M/s. Link In-time India Pvt. Ltd.,
   C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083, Or

   mail to his **e-mail id: tusharpahade@gmail.com**, so as to reach by **5:00 p.m. on Tuesday, July 30, 2019**. Ballot form received thereafter will strictly be treated as if not received.

2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.

3. The Company will not be responsible if the Ballot Form is torn, mutilated in any manner.

4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

5. The right of voting by Ballot Form shall not be exercised by a proxy.

6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of the members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. M/s. Link In-time India Private Limited. Members are requested to keep the same updated.

7. There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.

8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.

9. Where the Ballot Form has been signed by an authorised representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorisation/Board resolution to vote should accompany the Ballot Form.

10. Instructions for e-voting procedure are available in the Notice calling 24th Annual General Meeting of the Company and are also placed on the website of the Company (i.e. **www.solargroup.com**).

SOLAR INDUSTRIES INDIA LIMITED

(CIN: L74999MH1995PLC085878)
Registered Office: "Solar" House 14, Kachimet, Amravati Road, Nagpur-440023 (M.S)
Tel: +91-712-6634555/567 I Fax: +91-712-2500200-201
E-mail id: investor.relations@solargroup.com I Website : www.solargroup.com