



**SOLAR
INDUSTRIES
INDIA
LIMITED**

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20th May, 2016

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

To,
The Executive Director
Listing Department
Bombay Stock Exchange Limited
BSE Listing Center
Scrip Code: 532725

Sub: Clarification sought by Exchange on announcement submitted by the Company dated Jun 10, 2016.

Dear Sir,

This is with reference to the clarification sought by the Exchange on announcement submitted by the Company dated Jun 10, 2016 regarding the Company has bagged an order from Singareni Collieries Company Limited (SCCL) for the supply of 163911.20 MT Explosives worth Rs. 443.44 Crore for the financial year 2016-17 and 2017-18, we wish to provide the following point wise clarification;

1. Whether order(s) / contract(s) is awarded to domestic/ international entity

➤ Order is awarded to domestic entity, Solar Industries India Limited (SIIL)

2. Significant terms and conditions of order(s)/contract(s) awarded, in brief;

➤ Please refer enclosed file herewith.

3. Time period, if any, associated with the order(s)/contract(s);

➤ The order is for a period of two financial years 2016-17 and 2017-18.

4. Broad commercial consideration or size of the order(s)/contract(s);

➤ The commercial order is for the supply of 163911.20MT Explosives worth Rs. 443.44 crores, along with the Excise Duty/ VAT/ CST as applicable.





5. Whether the promoter/ promoter group/group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof;

➤ Neither the promoters/promoter group/group companies of SCCL nor the promoters/promoter group/group companies of SIIL have any interest in each other's entity.

6. Whether the same would fall within related party transactions? If yes, whether the same is done at? arm's length?

➤ As SCCL and SIIL are not related parties, the transaction entered between them do not fall within the definition of related party transactions.

Thanking You.

Yours truly,

For Solar Industries India Limited


(Khushboo Pasari)
Company Secretary &
Compliance Officer



Encl.: As above



SIGNIFICANT TERMS AND CONDITIONS OF THE ORDER

1. Duration of Contract:

- a) The contract shall be valid for two (2) years from the date of placement of the firm order. However, Singareni Collieries Company Limited (SCCL) reserves the right to shorten/extend the duration of the contract while concluding the contract,
- b) SCCL also reserves the right to extend/shorten the duration of the contract during its validity period. SCCL also reserves the right to rescind/short close the contract in case of breach of terms and conditions of the contract by the bidder.
- c) SCCL reserves the right to conclude the contract initially for a period of 41 year reserving its right to extend or not to extend the contract for 2nd years as deemed fit.

2. Quantity Variations:

SCCL reserves the right to increase the ordered quantity to the extent of 40% during the order validity period at the same price, terms and conditions of original order keeping in view the actual need of the projects.

3. Performance Bank Guarantee:

- a) The supplier shall:, within one month from the date of receipt of letter of intent /firm order should submit a consolidated Bank Guarantee for Rs 22,09,90,000.00/- (i.e.10% of the annualized order value) to O/G GM (MP), The Bank Guarantee must be issued by Public Sector Bank (SBI & Associates and Nationalized banks) from their branches situated at Hyderabad/ Kothagudem
- b) The above PBG shall be valid up to 3 months over and above the order validity period. In case there is a delay in supply of material for whatsoever reason, the Bank Guarantee shall be extended suitably three months before its expiry.





- c) In case the firm fails to submit consolidated Performance Bank Guarantee as stipulated above, consignment wise amount at the rate mentioned as per clause No. a will be deducted from bills payable to the firm against supplies made.

4. Delivery Schedule:

The Supplier shall start supply of explosives & accessories in accordance to the delivery schedule given by the area authorities with a lead time of 14 days from the date of releasing of the Order.

The supply of SMS/SME explosive shall be on daily basis as per the daily requirement of the individual project. However, the monthly schedule for the quantity require for any particular month shall be communicated to the firm during the last week of the preceding month.

For Solar Industries India Limited


(Khushboo Pasari)
Company Secretary &
Compliance Officer

