September 4, 2026

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

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

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In accordance with the Regulation 30 read with Para A of part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we wish to inform you that "ICRA Limited" has reaffirmed the rating on the commercial paper of Solar Industries India Limited as below:

| Instrument | Rated Amount (Rs. Crores) | Rating Action |
|---|---|---|
| Commercial Paper | 500.00 | [ICRA]A1+; reaffirmed; |
| **Total** | **500.00** | |

You are requested to take the same on record.

Thanking You

Yours truly,

For **Solar Industries India Limited**

Khushboo Anish Pasari
Digitally signed by Khushboo Anish Pasari
Date: 2026.09.04 15:03:13 +05'30'

**Khushboo Pasari**
**Company Secretary &**
**Compliance Officer**



**Solar Industries India Limited**
Regd. Office : "Solar" House, 14,
Kachimet, Amravati Road,
Nagpur - 440023, Maharashtra, INDIA
CIN : L74999MH1995PLC085878
solar@solargroup.com
www.solargroup.com
+91 712 663 4567
+91 712 663 4578

**September 04, 2026**

# Solar Industries India Limited: Rating reaffirmed

## Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action | Financial sector regulator# |
|---|---|---|---|---|
| **Commercial paper** | 500.00 | 500.00 | [ICRA]A1+ ; reaffirmed | RBI |
| **Total** | **500.00** | **500.00** | | |

**Instrument details are provided in Annexure I*

*#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI.*

## Rationale

While arriving at the rating for the commercial paper programme of Solar Industries India Limited (SIIL/the company), ICRA has taken a consolidated view of SIIL and its wholly-owned subsidiary, Solar Defence and Aerospace Limited (SDAL, rated [ICRA]A1+). SIIL, along with this subsidiaries, associates and JVs, is being referred to as the Solar Group/the Group.

The rating factors in the strong market position of the Solar Group in the commercial explosives segment and its growing presence in the defence sector. The Group is a major supplier of commercial explosives to Coal India Limited and its subsidiaries, Singareni Collieries Company Limited (SCCL) and other housing and infrastructure companies. It is also a major exporter of commercial explosives. In the defence sector, the Group has strengthened its position through the supply of ammunition, explosives and other products in the domestic as well as international markets. Further, the Government of India's (GoI) focus on reducing import dependence for defence products and increasing indigenous procurement has supported a ramp-up of the defence supplies of the Solar Group.

The Solar Group has a defence order book of more than Rs. 21,000 crore as on March 31, 2026, including a Rs. 6,084-crore order for the supply of Pinaka rockets. The Group is also expanding its footprint in defence exports with a sizeable orderbook to be executed over the next few years. The strong orderbook position provides revenue visibility for the near to medium term.

The Group has a strong operational profile with an extensive manufacturing footprint across India and backward integration to manufacture emulsifiers, detonators shells, PETN (pentaerythritol tetranitrate), TNT (trinitrotoluene) and RDX (research department explosive). This has helped improve the operating margins over the years. The Group has also set up bulk explosive manufacturing facilities in the vicinity of mining regions for efficient logistics and timely supply of orders. In the defence segment, the Group has been developing products jointly with various government bodies. The ongoing development of new products is expected to strengthen its portfolio and support incremental orders.

The rating favourably factors in a healthy revenue growth of 30% in FY2026 at Rs. 9,837.7 crore and the growth momentum is expected to sustain in FY2027, driven by a strong defence order book and visibility on the offtake by CIL and SCCL. The company's operating profit margin (OPM) improved to around ~26% in FY2025 and FY2026, supported by the rising share of defence and export orders/international revenues which have higher margins. ICRA expects the margins to remain healthy in the range of 22-25%, going forward. The credit profile is robust with the total debt/OPBDITA remaining around 0.6x in FY2026 and 0.8x in FY2025. The interest coverage ratio remains comfortable at around 19.6x in FY2026 and 17.2x in FY2025. Notwithstanding the sizeable capex outgo and growing working capital requirements, the expanding operating profits and cash accruals would continue to support healthy debt coverage metrics.

The rating, however, remains constrained by the vulnerability of SIIL's consolidated margins to any fluctuation in the prices of its key raw material i.e. ammonium nitrate. ICRA notes that the company has a price escalation clause in its agreements with its key clients that protects the margins against input cost volatility to an extent even as the pass-through may be with a lag.

SIIL's profitability remains vulnerable to the volatility in foreign currency exchange rates, given the sizeable revenue contribution from exports and the overseas sector. However, a partial natural hedge from exports, USD billing in select markets and borrowings in local currency for overseas subsidiaries provide some cushion to the company's profitability metrics against the fluctuations in foreign currency exchange rates. ICRA also notes the highly regulated nature of the explosive manufacturing industry with the need for licensing of various products. The company's operations, therefore,remain vulnerable to any changes in the regulatory framework.

The rating also takes note of the ongoing legal proceedings regarding the vacation of office by Mr. Kailash Chandra Nuwal as the executive director of the company. The matter remains pending before the National Company Law Tribunal (NCLT) after the Supreme Court disposed of the civil appeal filed by SIIL, noting that the term of the director had already expired. While the management doesn't anticipate any material impact on the business operations of SIIL on account of the ongoing proceedings under the NCLT, the outcome of the matter would remain a key rating monitorable.

## Key rating drivers and their description

### Credit strengths

**Strong market position in commercial explosives and defence products** - The Solar Group has been manufacturing explosives for over 25 years with SIIL being the flagship company of the Solar Group. SIIL is a leading player in the industrial explosives sector with its major clients being CIL and SCCL. The order book from CIL and SCCL stood at Rs. 3,500 crore as on March 31, 2026, apart from regular orders from other major players in the housing and infrastructure sectors. The Solar Group is also a major player in the domestic defence manufacturing industry. The group has major commercial orders for Pinaka Multi-Barrel Rocket Launcher System (MLRS), Nagastra-I (loitering munition) and 155-mm artillery shells. In addition, several indigenously developed platforms, including the Rudrastra unmanned aerial vehicles (UAV) and the Bhargavastra anti-drone systems are in various stages of trials and are expected to be scaled up over the medium term for commercial production. The revenue from the defence sector increased to ~27% of the consolidated revenue in FY2026, compared with 18% in FY2025 and 9% in FY2024. Given a robust defence order book of Rs. 17,794 crore as on March 31, 2026, the segment's contribution is expected to increase, going forward.

**Strong operational profile with healthy backward integration –** SIIL has a diversified operational profile with presence across the mining, housing & infrastructure and defence sectors. It has a strong client profile, comprising CIL, SCCL, the Indian Navy and the Indian Army. The company's healthy track record in developing defence products jointly with key government organisations is expected to support a ramp-up in the scale of the defence segment. The company has a healthy operational profile with a strong manufacturing footprint across India and backward integration to manufacture emulsifiers, detonators shells, PETN, TNT and RDX. This has improved the operating margins over the years. It also has a state-of-the-art facility in Nagpur which encompasses a loitering munition test range and a dedicated runway for testing medium altitude long endurance (MALE) and high-altitude long endurance (HALE) unmanned aerial vehicles.

**Healthy financial risk profile –** SIIL's revenue growth has been healthy, with a CAGR of 31% during the FY2021 to FY2026 period. The revenue increased by 30% in FY2026 to Rs. 9,838 crore, driven by a robust defence order book and ramp-up in international operations. The growing share of the defence segment in the revenue mix is expected to keep the operating margins in the range of 22–25% on an ongoing basis. The company has been generating healthy cash flow from operations over the last few years, which has supported its capex programmes with limited reliance on debt. As a result, the credit profile remains robust, with the total debt/OPBDITA at around 0.6x in FY2026 compared with 0.5x in FY2025. The interest coverage ratio continues to be robust at around 19.6x in FY2026, compared with 17.2x in FY2025. Notwithstanding the sizeable capex outgo and growing working capital requirements, the expanding operating profits and cash accruals would continue to support healthy debt coverage metrics.

### Credit challenges

**Vulnerability of profits to raw material price and forex fluctuations** – The key raw material required by SIIL to manufacture explosives is ammonium nitrate (AN), the prices of which are volatile. As the raw material procurement is not entirely order-backed, the company's margins remain vulnerable to any adverse fluctuation in commodity prices. SIIL, however, enters into contracts having price escalation clauses with its key customers and for products with multi-year deliverables, which mitigate the risk to an extent and allows it to pass on the price increase, though with a lag.

Further, the company remains exposed to the volatility in foreign currency fluctuations. The natural hedge through growing exports and invoicing in US dollars in select markets mitigates the forex risk to an extent. The company has started availing loans in local currency for overseas subsidiaries; however, for new subsidiaries, it mostly depends on US dollar-denominated borrowing from its Mauritius subsidiary. Therefore, some forex risk will persist.

**Exposure to regulatory risks** – SIIL operates in an intensely regulated explosive and defence manufacturing industry with high entry barriers both in term of technology and operational prerequisites. Its operations, therefore, remain vulnerable to any changes in the regulatory framework impacting the industry.

## Environment and social risks

**Environmental risk** - The industry is exposed to the risk of tightening regulatory norms for production, water management, waste and hazardous material management, given the safety and environmental health-related concerns associated with explosives. Additionally, some products can face restrictions/substitution over time because of their hazardous nature. Further, litigation risks could be high in the event of accidents. While the company has a demonstrated track record of running its operations safely, the nature of the risk weighs on its rating.

**Social risk** - Companies like SIIL need to operate responsibly as it is an imperative and instances of non-compliance with environmental, health and safety norms could have an adverse impact on the local community which could manifest in the form of protests, constraining the ability to operate or expand the capacity. The company hasn't experienced/reported any incident suggestive of safety lapses in its manufacturing facilities over the past several years and its ability to maintain the manufacturing controls would be a monitorable factor.

## Liquidity position: Adequate

The Group's liquidity position shall remain adequate, going forward, supported by net cash accruals of Rs. 1,900 crore, cash and cash equivalent of ~Rs. 584 crore as on March 31, 2026, and a healthy cushion in the working capital facilities. The net cash accruals should remain adequate to meet the debt repayments and the funding required for the capex programme in FY2027.

## Rating sensitivities

**Positive factors –** Not applicable.

**Negative factors –** The rating may be downgraded if there is a sustained material decline in revenues or profitability, or if the company undertakes a materially large debt-funded capex impacting the credit profile of the company. Any adverse regulatory measure(s) that weaken(s) the credit profile could also put pressure on the rating.

## Analytical approach

| Analytical approach | Comments |
|---|---|
| **Applicable rating methodologies** | Chemicals<br>Corporate Credit Rating Methodology |
| **Parent/group Support** | Not Applicable |
| **Consolidation/standalone** | For arriving at the ratings, ICRA has taken a consolidated view of SIIL and SDAL. ICRA has considered the consolidated financials of SIIL; as on March 31, 2026, the company had 8 direct wholly-owned subsidiaries, 28 step-down subsidiaries, 3 associate companies and 2 joint ventures, the details of which are provided in Annexure II |

## About the company

Solar Industries India Limited (SIIL) is the flagship company of the Solar Group, promoted and headed by Mr. Satyanarayan Nuwal. The company started with the trading of explosives in 1983 and ventured into explosives manufacturing in 1996.

SIIL, along with its subsidiaries, manufactures bulk explosives, packaged explosives and initiating systems, which find application in the mining, infrastructure and construction industries. The Group forayed into the defence sector in 2010 and diversified into the manufacturing of propellants for missiles and rockets, warheads and warhead explosives.

At present, the Group has over 40 manufacturing locations across domestic and international markets, with new facilities in Zimbabwe and Kazakhstan, along with expansion in Nigeria. The company has also established a centre of excellence for the life assessment of explosives and ammunition. The Group's head office is in Nagpur, Maharashtra.

### Key financial indicators (audited)

| Solar Industries India Limited (Consolidated) | FY2025 | FY2026 | Q1 FY2027* |
|---|---|---|---|
| **Operating income** | 7541 | 9837.7 | 3668.2 |
| **PAT** | 1282.4 | 1736.4 | 657.6 |
| **OPBDITA/OI** | 26.6% | 26.7% | 27.7% |
| **PAT/OI** | 17.0% | 17.7% | 17.9% |
| **Total outside liabilities/tangible net worth (times)** | 0.8 | 0.6 | - |
| **Total debt/OPBDITA (times)** | 0.5 | 0.6 | - |
| **Interest coverage (times)** | 17.2 | 19.6 | - |

*Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore*
*PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; *Results*

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: Not applicable

## Rating history for past three years

| Instrument | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Type | Amount rated (Rs. | September 04, 2026 | FY2026 | | FY2025 | | FY2024 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| **Commercial paper** | Short-Term | 500.00 | [ICRA]A1+ | November 28, 2025 | [ICRA]A1+ | November 28, 2024 | [ICRA]A1+ | November 28, 2023 | [ICRA]A1+ |
| | | | | February 02, 2026 | [ICRA]A1+ | February 17, 2025 | [ICRA]A1+ | December 26, 2023 | [ICRA]A1+ |

## Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|---|
| **Commercial paper** | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

### Annexure I: Instrument details

| ISIN | Instrument name | Date of issuance / sanction | Coupon rate | Maturity date | Amount rated (Rs. crore) | Current rating and outlook | Financial sector regulator# |
|---|---|---|---|---|---|---|---|
| **Yet to be placed** | Commercial Paper | NA | NA | NA | 500.00 | [ICRA]A1+ | RBI |

*Source: Company*

*#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators other than SEBI.*

### Annexure II: List of entities considered for consolidated analysis

| Company name | Ownership | Consolidation approach |
|---|---|---|
| **Subsidiaries** | | |
| Solar Defence and Aerospace Limited, formerly Economic Explosives Limited[4] | 100.00% | Full consolidation |
| Emul Tek Private Limited | 100.00% | Full consolidation |
| Solar Defence Limited[1] | 100.00% | Full consolidation |
| Solar Defence Systems Limited[1] | 100.00% | Full consolidation |
| Solar Avionics Limited[1] | 100.00% | Full consolidation |
| Solar Explochem Limited | 100.00% | Full consolidation |
| Solar Aerospace Limited[1,3] | 100.00% | Full consolidation |
| Solar Overseas Mauritius Limited | 100.00% | Full consolidation |
| Solar Mining Services Pty Limited, South Africa | 96.42% | Full consolidation |
| Solar Nigachem Limited, formerly Nigachem Nigeria Limited | 55.00% | Full consolidation |
| Solar Overseas Netherlands B.V. | 100.00% | Full consolidation |
| Solar Explochem Zambia Limited | 65.00% | Full consolidation |
| Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi | 100.00% | Full consolidation |
| P.T. Solar Mining Services | 100.00% | Full consolidation |
| PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi2 | 53.00% | Full consolidation |
| Solar Nitro Ghana Limited | 90.00% | Full consolidation |
| Solar Madencilik Hizmetleri A.S. | 100.00% | Full consolidation |
| Solar Overseas Netherlands Cooperative U.A. | 100.00% | Full consolidation |
| Solar Overseas Singapore Pte Limited | 100.00% | Full consolidation |
| Solar Industries Africa Limited | 100.00% | Full consolidation |
| Solar Nitro Zimbabwe (Private) Limited[1] | 100.00% | Full consolidation |
| Solar Nitro Chemicals Limited | 65.00% | Full consolidation |
| Solar Mining Services Pty Limited, Australia | 100.00% | Full consolidation |

| Company name | Ownership | Consolidation approach |
|---|---|---|
| Solar Mining Services Cote d'Ivoire Limited SARL[1] | 100.00% | Full consolidation |
| Solar Venture Company Limited | 75.00% | Full consolidation |
| Solar Mining Services Burkina Faso SARL[1] | 100.00% | Full consolidation |
| Solar Mining Services Albania | 100.00% | Full consolidation |
| Solar Nitro SARL[1] | 85.00% | Full consolidation |
| Solar Nitro Kazakhstan Limited | 88.66% | Full consolidation |
| Solar Nitro (SL) Limited[1] | 100.00% | Full consolidation |
| Power Blast LLP | 88.66% | Full consolidation |
| Problast BS (Pty) Ltd[5] | 73.99% | Full consolidation |
| Procapture (Pty) Ltd[5] | 100.00% | Full consolidation |
| Maxigear (Pty) Ltd[5] | 100.00% | Full consolidation |
| Frag Shared Services (Pty) Ltd[5] | 100.00% | Full consolidation |
| Problast BBBEE Investment Co. (Pty) Ltd[5] | 49.00% | Full consolidation |
| | | |
| **Associates** | | |
| ZMotion Autonomous Private Limited | 45.99% | Equity method |
| Solar United Company Limited[1] | 49.00% | Equity method |
| Ortiz Investment (Pty) Limited | 49.00% | Equity method |
| | | |
| **Entities with joint control or significant influence** | | |
| Joint operation with P.T. Pindad, Indonesia | 49.00% | Equity method |
| Joint operation with P V Explosives, Thailand[6] | Nil | - |

*Source: Annual Report FY2026*

1. *The entity had not commenced its business operations as on March 31, 2026.*
2. *The entity was under liquidation as on March 31, 2026.*
3. *Solar Aerospace Limited was incorporated on June 10, 2024.*
4. *The name of Economic Explosives Limited was changed to Solar Defence and Aerospace Limited with effect from February 17, 2025.*
5. *These entities were acquired with effect from July 1, 2024*
6. *The joint operation with P V Explosives ceased to be a joint operation from April 1, 2025.*

## ANALYST CONTACTS

**Girishkumar Kashiram Kadam**
+91 22 6114 3406
girishkumar@icraindia.com

**Prashant Vasisht**
+91 124 4545 322
prashant.vasisht@icraindia.com

**Varun Gogia1**
+91 124 4545 823
varun.gogia1@icraindia.com

**Aryan Jaiswal**
+91 22 6169 3352
aryan.jaiswal@icraindia.com

## RELATIONSHIP CONTACT

**L Shivakumar**
+91 22 6114 3406
shivakumar@icraindia.com

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**
Tel: +91 124 4545 860
communications@icraindia.com

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

## ICRA Limited

### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45

### Branches