

July 20, 2026

To,

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051

Trading Symbol: "SOLARINDS"

Through NEAPS

To,

BSE Limited
Floor no.25, PJ Towers
Dalal Street
Mumbai - 400 001

Scrip Code: 532725

Through BSE Listing Center

Sub: Integrated Annual Report for the financial year 2025-26 including Notice convening the 31st Annual General Meeting (AGM) and Intimation of Record Date.

Dear Sir/Madam,

This is to inform you that, pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Integrated Annual Report of the Company for the financial year 2025-26 including the Notice convening 31st Annual General Meeting ("Notice") sent to the members through electronic mode. The AGM of the Company will be held on Tuesday, August 11, 2026 at 11.30 a.m. (IST) through Video Conference ('VC')/Other Audio Visual Means (OAVM). The Secretarial Audit Report of material unlisted subsidiary also forms part of this Annual Report.

The Notice of AGM along with the Annual Report for the financial year 2025-26 is also being made available on the website of the Company at www.solargroup.com.

Further, to our outcome of the Board Meeting dated May 15, 2026 wherein we had intimated details relating to Book Closure. Please note that the Company has fixed Tuesday, July 28, 2026 as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2026. Payment of dividend will be made on Thursday, August 20, 2026, subject to approval of the members at the ensuing 31st AGM of the Company.

This is for your information and records.

Thanking you,

Yours Truly,

For Solar Industries India Limited

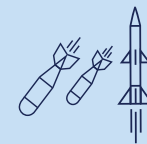
Khushboo Anish Pasari
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Khushboo Anish Pasari
Date: 2026.07.20
21:03:28 +05'30'

Khushboo Pasari
Company Secretary &
Compliance Officer

Rise & Shine



We rise with conviction and a shared vision, strengthened by innovation, resilience and commitment to national progress. We shine through purposeful action, advancing indigenous defence capabilities, enabling landmark infrastructure projects and delivering sustained growth. Every milestone reflects our determination to scale new heights, create lasting values and contribute to a stronger, safer and more self-reliant India.



A Landmark in Indigenous Defence

Solar Defence and Aerospace Limited became the first private-sector company in India to dispatch the Pinaka Enhanced MK -I rockets to the Indian Army, marking a significant milestone in strengthening the nation's indigenous defence capabilities.



Powering India's First High Speed Train Project

Solar Industries India Limited is contributing to India's first High-Speed train project through advanced blasting solutions, superior product enabling safe, precise and efficient infrastructure development.

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

BSE scrip code:
532725

NSE Trading Symbol:
"SOLARINDS"

Forward-looking statements

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

A National Honour for Visionary Leadership



FY26 marked a moment of national recognition for Solar Industries as our Founder Chairman, Shri Satyanarayan Nuwal, was conferred the Padma Shri for his contribution to trade and industry.

From pioneering industrial explosives to building capabilities across defence and aerospace, his journey mirrors the evolution of Solar itself. What began as an entrepreneurial ambition has grown into an enterprise contributing to India's strategic and technological aspirations.

This honour acknowledges decades of institution building, a belief in indigenous capability, and a sharp focus on execution. It also marks Solar's role in advancing critical technologies and supporting the country's vision of self-reliance in defence manufacturing.

For us, the recognition is a reminder that enduring impact is created through conviction, persistence, and the courage to pursue opportunities ahead of their time.





Rising

on Strong Foundation

We rise on the strength of our vision, and we shine through our actions—advancing progress, enabling infrastructure and contributing to a stronger, self-reliant India.

About Us

Rising Stronger, Shining with excellence

Solar Industries India Limited operates at the intersection of manufacturing precision and national responsibility. For over three decades, we have developed products, technologies and capabilities that support economic progress, infrastructure development and strategic self-reliance. We continue to rise through engineering excellence, innovation and scale and shine through the value we create for industries, communities and the country.

Our Strategic Strengths



Safety, Quality, Reliability

Rigorous safety and quality frameworks



Global Manufacturing Network

Production presence across multiple geographies



Integrated Value Chain

End-to-end control across critical operations



R&D-driven Innovation

Developing next-generation strategic solutions



Governance and Compliance

Strong oversight and regulatory discipline



Diversified Revenue Base

Balanced exposure across key sectors



Strong Order Visibility

Robust order book pipeline supporting future revenues



Capital Discipline

Prudent allocation of resources supporting sustainable expansion

Our Vision



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

Our Mission



To provide
innovative technology and services through Research and Development

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

To contain
product and service costs through constant reengineering and improvement in all business processes

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

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

A Year of Progress

Exported the first batch of

Guided Pinaka Rockets

to Armenia, marking Solar's entry into international precision-guided munitions supply

The Company achieved

100%

adoption of its electronic detonators in underground Coal Mines and Seismic Exploration.

Nagastra-1 loitering munition deployed by the Indian Army during

Operation Sindoor

Acquired

223

acres in MIHAN SEZ, Nagpur, for developing and manufacturing UAVs, robotics platforms and next-generation defence technologies. The project involves a planned investment of

₹ 12,780 Cr.

and is expected to create over 6,800 jobs, strengthening India's indigenous defence manufacturing ecosystem.

Global Presence

Accelerating Our Rise Across Borders

We are strengthening our presence across key global markets, supported by a diversified manufacturing base and an extensive distribution network. Our broad and versatile product portfolio, underpinned by continuous innovation in advanced explosives and technical services.



- Middle East

● Asia/Oceania

● Upcoming
- Africa

● Europe/Balkans/Turkey

● North & South America

These maps are illustrative and intended for creative representation only

Milestones

Tracing a Path
of Progress

2001-2005

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

2012-2015

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

2019-2022

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

2024-2026

- PINAKA Rockets exported
- Counter Drone System (Bhargavastra) Micro Missile initial trials successful
- Loitering Munition - NAGASTRA-1 successfully delivered to the Indian Army
- Crossed Market cap ₹ 1,00,000 Cr.
- Commenced operations at Zimbabwe and Kazakhstan

1996-2000

- Commenced production of Packaged Explosives, Bulk Explosives and Detonators

2006-2011

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

2016-2018

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

2023-2024

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

Year in Action

From Intent to Impact

Global Presence



Presence in
90+
countries

40+
Manufacturing facilities globally

Strong
export capabilities driving sustainable growth

2,77,80,807
hours
of injury-free work

Zero
complaints of sexual harassment

Strong
safety-first culture across manufacturing units



Safety and Operational Excellence



Financial Strength



₹ 9,838 Cr.
Revenue from operations

₹ 2,750 Cr.
EBITDA

₹ 1,737 Cr.
Profit After Tax

15,727
Total workforce

1,57,904
Training hours

1,13,828
Safety training hours



People and Workforce



32.49%
Return on Equity

₹ 185.39
Earnings Per Share

₹ 1,09,239 Cr.
Market Capitalization

1,106
Learning & Development Sessions

100%
return of employees post maternity leave in same or upgraded roles

Order Book and Growth Visibility



₹ 21,300 Cr.
Order book

Strong
growth outlook enabled by healthy demand and disciplined execution

Sustained
growth momentum driven by strategic investment and market expansion

7,70,592 KL
Water consumption

11,13,560 GJ
Energy consumed

16%
energy from renewable sources



Sustainability and Environmental Stewardship



Manufacturing Scale and Operational Efficiency



₹ 5,479 Cr.
Gross block

798
Safety Audits

₹ 1,556 Cr.
CAPEX

10,000+
Supplier base

₹ 42 Cr.
CSR expenditure

1,15,917
Shareholder base



Stakeholder and Community Impact



Innovation and R&D Strength



₹ 12.16 Cr.
R&D expenditure

₹ 51.03 Cr.
R&D investment over the last Seven years

₹ 24.82 Cr.
Product Development Costs

₹ 629 Cr.
contribution to the exchequer

Strong
relationships with customers, employees, partners, Investors and communities

Dedicated
Quality Control teams

Strong
innovation culture fostering breakthrough technologies and customer focused solutions

Chairman's Message

Advancing the Rise of a Stronger India



In alignment with the nation's priorities, Solar has bolstered its core capabilities and broadened its areas of participation. Today, our products and solutions reach customers in more than 90 countries, underpinned by an expansive international manufacturing footprint and a diversified portfolio spanning industrial explosives, initiating systems, defence products and advanced technologies.

Dear Stakeholders,

It gives me great pleasure to present the Integrated Report of Solar Industries India Limited for FY 2025-26. The year was marked by significant progress as we continued to strengthen our capabilities, expand our global presence and reinforce our contribution to India's industrial, infrastructure and defence ecosystem.

Solar Industries has built a diversified business spanning industrial explosives, initiating systems, defence products and advanced technologies. Over the years, we have steadily evolved our business, strengthened our capabilities and created long-term value for our stakeholders.

India's journey towards Atmanirbhar Bharat reflects a decisive shift towards self-reliance, resilience and sustained progress. At Solar Industries, we are privileged to contribute to this transformation by enabling critical mining operations, advancing indigenous defence capabilities and supporting large-scale infrastructure development.

The theme, Rise and Shine, is more than the theme of this year's Annual Report; it reflects our enduring commitment to delivering solutions that accelerate national progress, foster innovation, and create sustainable value for stakeholders and the nation. It embodies the rise of India as it steadily strengthens its position as a global economic and strategic force, and the rise of an

organisation that has consistently evolved by anticipating change, building capabilities and pursuing opportunities with conviction.

Rising Amid New Possibilities

Strong infrastructure investments, expanding industrial activity, rising demand for resources and a sustained focus on manufacturing-led growth are driving robust economic momentum, in keeping with our Prime Minister's Vision of Viksit Bharat by 2047. This favourable environment is creating significant opportunities across industries, enabling innovation-driven enterprises to contribute meaningfully to India's long-term development and competitiveness.

The industrial explosives industry remains a critical enabler of progress driven by growing mining activity, increasing demand for minerals and coal, and large-scale infrastructure projects. Simultaneously, the adoption of advanced blasting technologies, enhanced safety standards and evolving regulatory frameworks is facilitating the transition towards more efficient, reliable, and technology-driven solutions.

A similar transformation is unfolding within India's defence sector. The nation has steadily reduced its dependence on imports while building indigenous capabilities across strategic defence platforms. The Honourable Prime Minister's emphasis on ease of doing business, reducing compliance burdens and drastically reducing bottlenecks in granting approvals will generate more investment and create greater opportunities.

In alignment with the nation's priorities, Solar has bolstered its core capabilities and broadened its areas of participation. Today, our products and solutions reach customers in more than 90 countries, underpinned by an expansive international manufacturing footprint and a diversified portfolio spanning industrial explosives, initiating systems, defence products and advanced technologies.

Our journey has been guided by a deliberate strategy to capture emerging opportunities and create lasting value for stakeholders. This performance reflects years of disciplined investments in

technology, manufacturing infrastructure, research and talent as well as our ability to adapt to changing market dynamics without losing sight of the values that have shaped Solar since its inception.

A landmark achievement during the year further exemplified this journey, with Solar Defence and Aerospace Limited becoming the first private company to dispatch the Pinaka Enhanced Mk-I rocket system to the Indian Army, reinforcing our contribution to India's defence preparedness and the vision of Atmanirbhar Bharat.

The Board has also recommended a dividend of ₹11 per equity share, balancing shareholder returns with continued investments in future growth.

Building Capabilities for Tomorrow

Understanding the Forces at Play

As global warfare intensifies and nations prioritise self-reliance, strengthen critical infrastructure and invest in advanced technologies, the ability to develop and scale indigenous solutions has become increasingly important. At Solar, we have consistently aligned our approach with emerging requirements, leveraging our expertise, execution strength, and entrepreneurial mindset to remain well-positioned in a rapidly changing environment.

As customer expectations evolve and strategic priorities become more complex, we remain focused

on enhancing our technical depth, expanding our expertise, and fostering a culture of continuous improvement. These efforts are creating a strong platform for long-term competitiveness, enabling us to seize new possibilities while reinforcing our position across the sectors we serve.

Strengthening Trust Through Governance

Strong governance remains central to the way we conduct our business. Guided by the principles of integrity, accountability and transparency, our Board of Directors, comprising seasoned professionals and independent experts, provides strategic oversight that supports prudent decision-making, strengthens stakeholder trust and creates enduring value. Ethical behaviour remains non-negotiable across all levels of the organisation and continues to shape how we operate, engage and grow, ensuring long-term value creation is aligned with responsible business practices.

Safety First Culture

Given the nature of our businesses, safety continues to be a core priority embedded across our operations. We maintain uncompromising standards of safety, quality and operational reliability, supported by structured processes, continuous monitoring and disciplined execution. Regular training, risk assessments and adherence to stringent safety protocols ensure that protecting people remains at the centre of every operational decision.

Building an Environmentally Responsible Future

We recognise that sustainable growth depends on balancing business performance with environmental responsibility and social impact. Sustainability remains integral to our approach, with a focused commitment to responsible resource use and continuous improvement in environmental practices. Across our operations, we are strengthening initiatives in energy efficiency, water conservation, waste management and biodiversity protection. These efforts are complemented by a long-term view that seeks to reduce environmental impact while enabling responsible and resilient growth.

Nurturing the People Behind Our Progress

At the heart of Solar's success lies the collective contribution of our people. Across functions and disciplines, our scientists, engineers, manufacturing teams, technical specialists and business leaders bring deep expertise, dedication and a shared commitment to delivering meaningful outcomes. Their professionalism, perseverance, and ability to translate ambition into action have played a defining role in shaping Solar's journey over the years.

As we stride ahead, we remain focused on creating an environment where individuals are empowered to realise their potential and contribute to a common purpose. By investing in talent development and leadership capabilities, we are building a stronger organisation that can continue to grow,

adapt and create value in an increasingly dynamic world.

We believe that every organisation that aspires to progress has to ensure that the communities in its vicinity progress as well. Guided by this philosophy, we continue to undertake focused initiatives in education, healthcare and environmental stewardship across the regions where we operate. From supporting access to quality education and digital learning resources to strengthening healthcare services in underserved communities and promoting environmental conservation through water rejuvenation and plantation drives, our efforts are aimed at creating meaningful and lasting impact.

Towards New Horizons

India's continued infrastructure expansion, growing demand for minerals and resources, increasing focus on defence indigenisation and rising technological sophistication are creating favourable conditions for long-term growth. As the nation advances on its path towards greater self-reliance, achievements such as the successful deployment of Nagastra drones during Operation Sindoor demonstrate the growing strength of indigenous technologies and the impact they can create.

Solar enters this next chapter with confidence and a clear sense of purpose. Supported by a diversified business portfolio, a growing international presence, and deep domain expertise, we are well positioned to build on the momentum we have created.

In Gratitude

Receiving the Padma Shri Award from the President of India was a deeply humbling and emotional moment. This is not just a matter of pride and honour for me but for our entire family and the 15 thousand people who work in our company, whose dedication, discipline, and hard work have made this possible. I am deeply grateful to the Prime Minister, under whose guidance and leadership the Government of India has bestowed this award.

Such recognition carries with it a profound sense of responsibility. It serves as a reminder that every achievement brings an obligation to aspire higher, act with greater purpose and contribute meaningfully to the nation's advancements.

I would like to take this opportunity to extend my sincere gratitude to our shareholders, customers, employees, business partners, government authorities and communities for their continued trust and support. Your confidence inspires us to push boundaries, embrace new possibilities and pursue excellence in everything we do. Together, we will continue to build on our legacy, create enduring value and contribute meaningfully to India's growth story.

Warm Regards,

Satyanarayan Nuwal
Chairman
Solar Industries India Limited

MD and CEO's Message

Excellence That Enables Us to Shine Brighter



Solar Defence and Aerospace created history by becoming the first private company to dispatch the Pinaka Enhanced Mk-I rocket system to the Indian Army. The successful performance of Nagastra-1 loitering munition further validated our indigenous defence technology capabilities and reinforced our contribution to India's strategic self-reliance.

Dear Stakeholders,

I am delighted to present this year's annual report, celebrating a year of rising higher, shining brighter, and creating lasting impact.

Rising with Purpose

The FY 2025-26 has been a landmark year for Solar, marked by strong progress across our financial performance, operational capabilities, defence business, international presence, and innovation agenda. Solar has continued to strengthen its position as a trusted, technology-led, and future-ready organisation serving the needs of mining, infrastructure, defence, and global customers.

Shining Through Performance

During the year, we achieved record consolidated revenue of ₹9,838 crore, reflecting a growth of 30% over the previous year. EBITDA increased by 35% to ₹2,750 crore, while Profit After Tax grew by 35% to ₹1,737 crore. This performance demonstrates the resilience of our business model, the strength of our execution capabilities, and the disciplined efforts of our teams across locations. The Board has recommended a dividend of ₹11 per share, reaffirming our commitment to delivering sustainable value to shareholders.

Rising in Defence and Strategic Capabilities

Our order book stood at approximately ₹21,300 crore, providing strong visibility for future growth. The defence business was a major highlight of the year, nearly doubling its revenue with a 94% year-on-year increase to ₹2,634 crore. Solar Defence and Aerospace created history by becoming the first private company to dispatch the Pinaka Enhanced Mk-I rocket system to the Indian Army. The successful performance of Nagastra-1 loitering munition further validated our indigenous defence technology capabilities and reinforced our contribution to India's strategic self-reliance.

Shining Across Global Markets

Our industrial explosives business continued to strengthen its leadership across mining, infrastructure, and construction sectors. International revenues grew by 32%, supported by our localisation strategy, customer proximity, and ongoing expansion across Africa, Central Asia, Southeast Asia, and India. These efforts have enabled us to improve market penetration, deepen customer relationships, and build a more diversified global platform.

Strengthening Scale, Safety and Operational Excellence

We also enhanced our manufacturing capabilities through capacity upgrades for energetic materials and products

for mining applications. Our integrated and backward-linked operating model continues to provide quality control, supply security, and cost efficiency. At the same time, digital and operational agility improved through real-time OEE monitoring, IIoT-enabled processes, and integrated utility dashboards.

Indigenous Innovation for a Self-Reliant India

Innovation remains central to our growth journey. Our collaborations with research and educational institutes continue to support the development of advanced, indigenous technologies in defence and aerospace. These partnerships reflect our commitment to Make in India, Atmanirbhar Bharat, and national capability building.

Responsible Growth with Governance and People at the Core

As we grow, we remain equally focused on safety, governance, sustainability, people development, and operational discipline. In a high-responsibility industry, our commitment to zero-harm operations, ethical conduct, compliance, risk preparedness, cybersecurity, product reliability, and responsible growth is non-negotiable. We also recognise the importance of employee capability building, leadership development, inclusion, workforce well-being, and a culture built on accountability, agility, collaboration, and ownership.

Shining Ahead with Confidence

Looking ahead, we remain confident about the opportunities before us. Our aspiration is to reach ₹14,000 crore in revenue and significantly expand the defence business while continuing to strengthen our core industrial explosives platform. Our execution priorities for the coming year will include safety, enhancing management bandwidth, innovation and systematic scale-up of operations.

I extend my sincere gratitude to our team members, customers, suppliers, technology partners, statutory agencies, communities, and shareholders. Your trust, commitment, and partnership have enabled Solar to rise stronger, innovate deeper, scale responsibly, and deliver impactful mining and security solutions that support economic development, critical infrastructure, and border protection across the world.

Sincerely,

Manish Satyanarayan Nuwal

Managing Director & CEO
Solar Industries India Limited



Rising

with Strategic Focus



We work with precision to develop next-generation products, guided by a comprehensive, 360° approach that strengthens our capabilities and activates well-defined growth drivers. By aligning innovation with execution, we are creating a clear pathway to the future that is scalable and responsive to evolving opportunities across our focus areas.

Strategic Growth Drivers

Levers Powering Our Momentum

This year marked a phase of measured advancement for Solar, shaped by shifts in business composition, sustained investments in capability enhancement and the growing influence of technology-driven segments. Our trajectory illustrates a deliberate alignment of strategy, execution and long-term value creation. As we expanded our manufacturing footprint and deepened our focus on innovation, disciplined operations continued to underpin our ability to deliver consistent outcomes.

The defence vertical is emerging as a central pillar of our growth, assuming increasing strategic importance within our business landscape. Supported by a strong and expanding order pipeline, we are progressively transitioning from development-oriented engagements to scaled execution across advanced systems. The successful validation of next-generation platforms, coupled with repeat orders across key product categories, signals increasing technological maturity and sustained end-user confidence. These developments reflect the depth, stability and effectiveness of our research and engineering ecosystem.

As defence assumes a larger share of our revenue mix, we continue to strengthen our position as a reliable participant in the global defence value chain, aligned with national priorities while steadily expanding our international reach.



Defence as the Primary Growth Engine

Our international operations are backed by a diversified manufacturing base and an extensive distribution network presence across multiple geographies. This broader footprint enhances revenue stability by reducing exposure to domestic cyclical, while strengthening supply chain responsiveness, operational flexibility and customer proximity across markets.

The sustained momentum in our international business reflects disciplined execution and the adaptability of our operating model across varied economic and regulatory environments.



Global Expansion and Geographic De-Risking

Our evolving revenue profile reflects a conscious effort to build structural resilience. While certain domestic segments remain influenced by cyclical and seasonal factors, the rising contribution from defence and international operations has reinforced overall stability.

This diversified business architecture enables us to navigate sector-specific fluctuations and maintain growth momentum. The integration of mining, infrastructure, defence and emerging technology segments has resulted in a balanced and adaptable portfolio.



Portfolio Rebalancing for Stability

Our growth trajectory is supported by sustained investments in manufacturing infrastructure, automation and technological capability enhancement. The increase in depreciation during the year corresponds to the commissioning and augmentation of assets aligned with future demand visibility. These investments enhance execution agility, scale product portfolio and improve operational efficiency.



Capacity Expansion and Infrastructure Readiness

Innovation continues to define our competitive edge, playing a central role in product development and capability expansion across both defence and commercial domains.

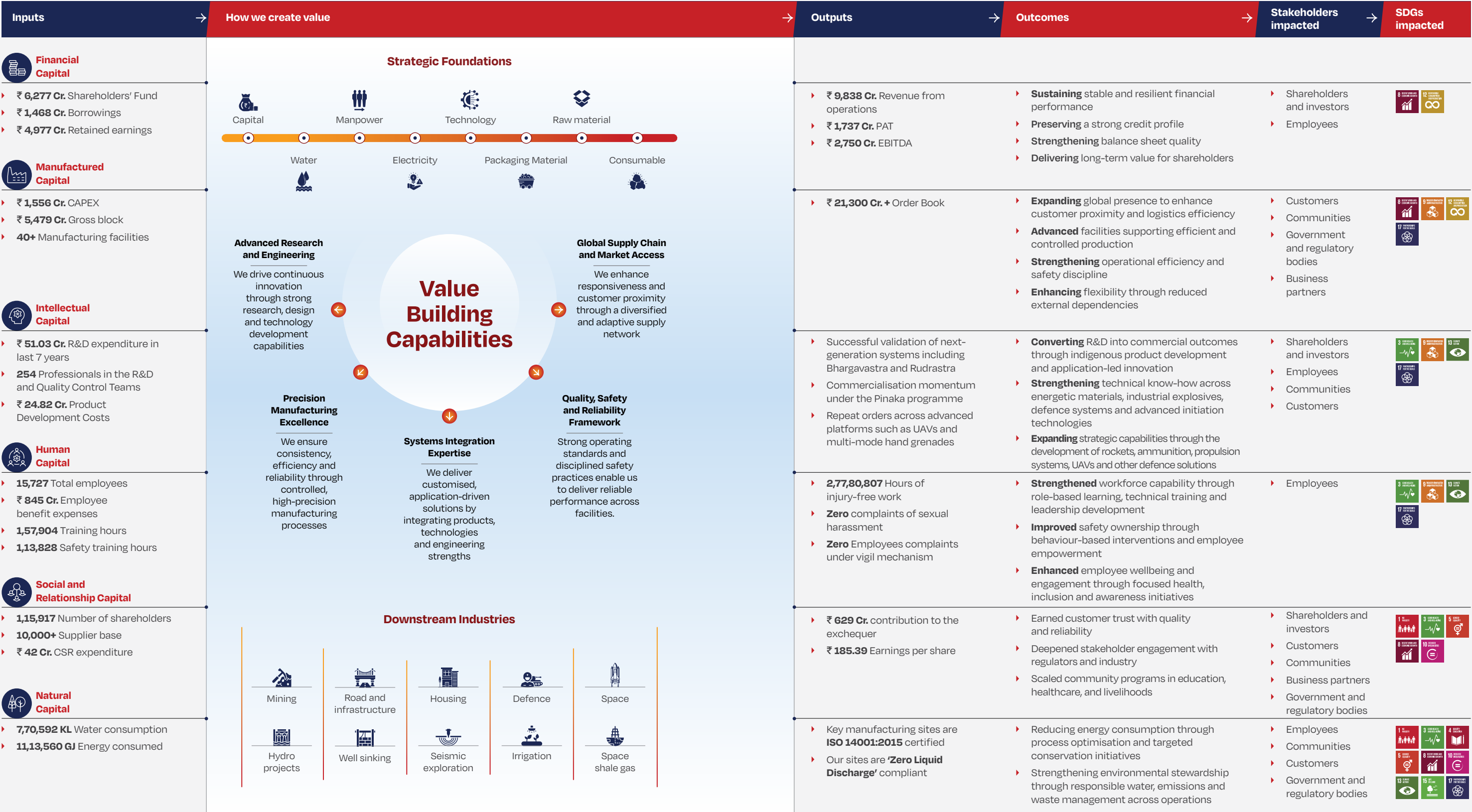
Repeat engagements, successful testing cycles, and expanding applications validate the strength of our technical expertise and engineering depth. The integration of research excellence with manufacturing strength enables the delivery of differentiated and high-value solutions.



Innovation-Led Differentiation

Business Model

Understanding the Mechanics of Value Creation

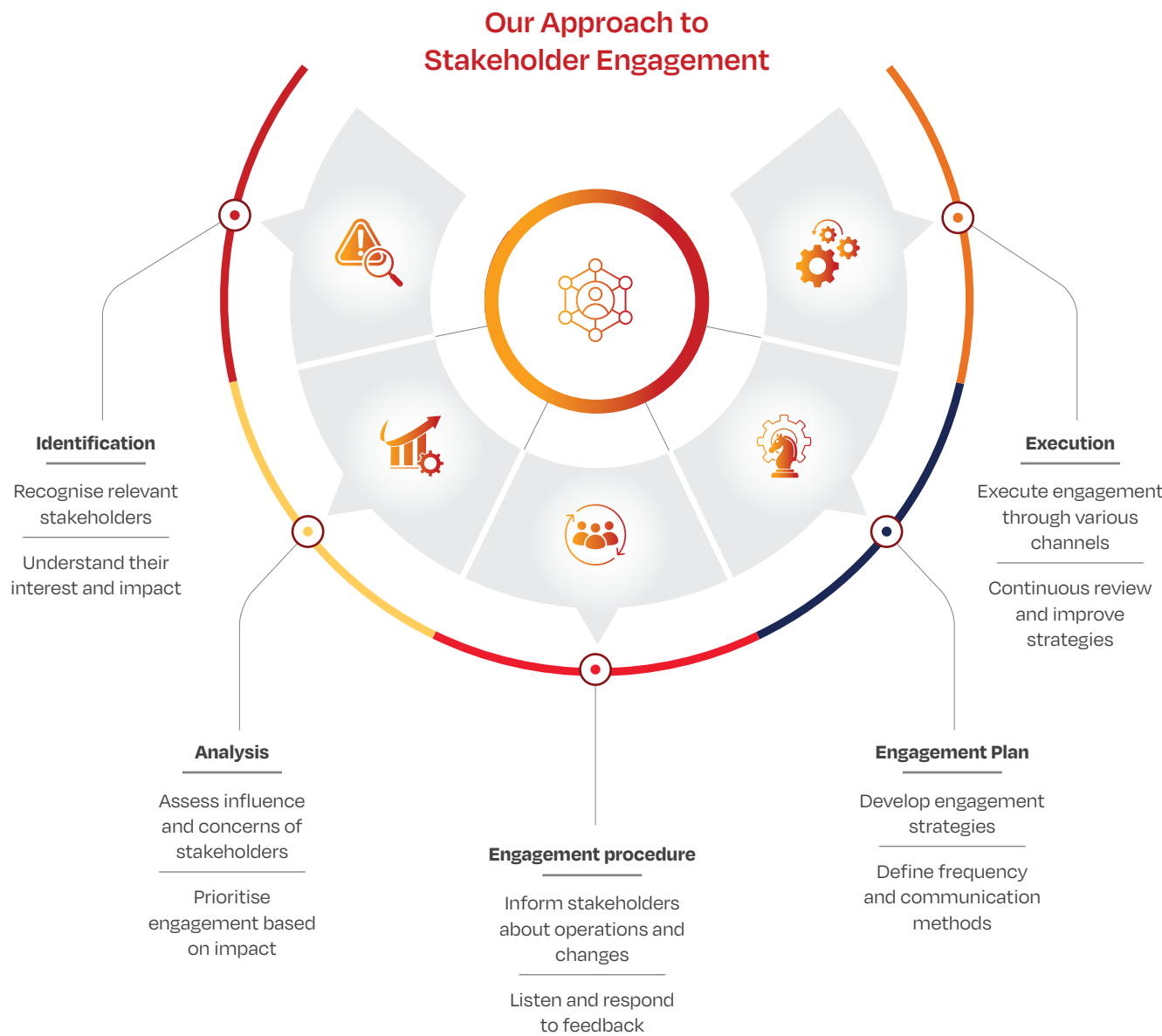


Stakeholder Engagement

An Ecosystem Built on Trust and Collaboration

We engage proactively with our stakeholders to create meaningful value. Guided by transparency, inclusivity and structured dialogue, we engage consistently with customers, employees, communities, regulators and investors across our operating geographies. The insights we gain inform our understanding of their expectations and help shape our strategies to deliver sustained outcomes.

Our approach is anchored in understanding and addressing stakeholder priorities, integrating these perspectives into both strategic and operational decision-making. This enables us to reinforce trust and enable shared value creation across our ecosystem.



Customers			
17		Capital Linkage	
Why we engage	Stakeholder Expectation	How we engage	Frequency
Our customers remain central to our growth journey. Ongoing engagement helps us understand evolving requirements, strengthen product reliability, improve service levels, and maintain long-standing business relationships across markets.	- High standards of product safety, quality and dependability - Strict confidentiality for sensitive engagements - Operational excellence - Continuous advancement and innovation	- One-to-one interactions - Site-visits - Customer meetings - E-mails - Feedback Mechanism-Online Survey - Digital Channels - Trial and improvement programmes	- C Continuous - P Periodic - P Periodic - N Need-based - A Annually - C Continuous - C Continuous

Business Partners			
8 11		Capital Linkage	
Why we engage	Stakeholder Expectation	How we engage	Frequency
Our business partners support operational continuity through reliable supply, technical capability, and execution strength. Sustained engagement enables alignment on quality, safety, efficiency, and long-term value creation across the supply chain.	- Enduring and equitable partnerships - Timely settlement of commitments - Capability enhancement initiatives - Transparent dealings - Sustainable value generation	- E-mail communication - Site visits - One-to-one interactions - Business partner surveys - Structured meetings	- N Need-based - P Periodic - C Continuous - A Annually - P Periodic

Employees			
1 3 4 5 8 10		Capital Linkage	
Why we engage	Stakeholder Expectation	How we engage	Frequency
Our employees contribute directly to operational excellence, innovation, and business growth. Engagement initiatives support capability building, workplace safety, collaboration, and a culture that encourages ownership and continuous learning.	- Safe and supportive work environment - Competitive and equitable compensation aligned with industry norms - Strong occupational health and safety standards - Career progression opportunities - Structured talent and capability development - Inclusive and diverse workplace culture - Continuous learning initiatives - Employment stability	- Employee engagement surveys - Joint consultation system - Grievance mechanism - Rewards and Recognition - Face to Face interactions - Cultural events - Trainings and Workshops	- A Annually - P Periodic - C Continuous - C Continuous - C Continuous - E Event-based - C Continuous

Communities

2 4 5 6 9 11 13 17 Capital Linkage			
Why we engage	Stakeholder Expectation	How we engage	Frequency
We engage with communities to build relationships grounded in trust, shared progress, and responsible development. Our approach focuses on creating positive social impact in the regions where we operate and strengthening long-term community well-being.	- Community advancement programmes - Local livelihood generation - Initiatives in health and sanitation - Engagement in CSR activities - Support for responsible business operation	- CSR initiatives - Field visits - Face-to-face interactions - Collaboration through NGOs	Engagement as per need

Government and Regulatory Bodies

17 Capital Linkage			
Why we engage	Stakeholder Expectation	How we engage	Frequency
Constructive engagement with government and regulatory authorities supports compliance, responsible operations, and alignment with evolving industry frameworks. These interactions also enable participation in broader industrial and national development priorities.	- Clear and balanced regulatory frameworks - Enabling policies for industry growth - Stable and predictable policy landscape - Infrastructure development and improved ease of doing business	- Reports - One-to-one interaction - Events - E-mail communication - Letters	Engagement as per need

Shareholders and Investors

1 2 3 Capital Linkage			
Why we engage	Stakeholder Expectation	How we engage	Frequency
Our shareholders and investors provide long-term financial support that enables growth and expansion. Regular engagement promotes transparency, strengthens confidence, and provides clarity on business performance, governance, and strategic direction.	- Sustainable and competitive growth with returns - Consistent dividend distribution - Efficient capital utilisation - Transparent financial reporting and disclosures - Robust risk governance - Long-term value creation - Strong governance standards	- Annual general meetings - Conference call - Press releases - Annual reports - News channels - Website updates - Stock Exchange releases - Investors Grievances and Redressal Mechanism's	A Annually Q Quarterly Q Quarterly A Annually E Event-based C Continuous P Periodic E Event-based

Risk Management

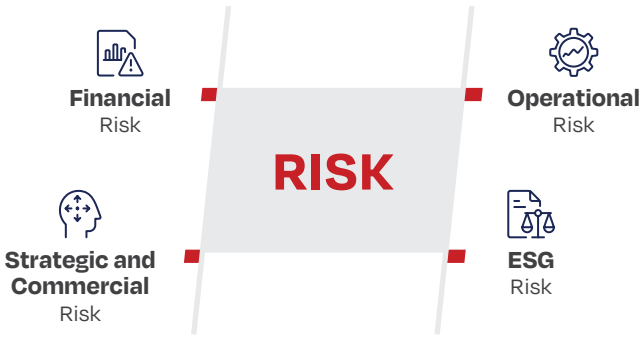
Navigating Challenges with Confidence

We operate in an ever-evolving environment, making it essential to adopt a structured and integrated approach to risk management. Our framework enables us to identify, assess and mitigate risks across the organisation, while navigating geopolitical complexities, supply chain bottlenecks and shifting trade dynamics. It also supports regulatory compliance, protects stakeholder confidence and minimises potential operational and financial disruptions.

By continuously monitoring financial exposures, operational complexities, reputational considerations and evolving market conditions, we strengthen organisational resilience and maintain business continuity.

Risk Categories

We regularly evaluate and monitor the most material risks that could significantly influence our performance. While these reflect our current assessment of key exposures, we remain vigilant to changes in the external environment and the potential emergence of new risks over time.



Financial Risk

R1 - Foreign Exchange Risk

Priority Capital Impacted Risk Horizon			
Risk Drivers Currency fluctuations affecting imports, exports, overseas subsidiaries, and cross-border transactions.	Business Implications Exchange-rate volatility may affect input costs, export competitiveness, profitability, and earnings predictability.	Our Response - Implementing structured hedging mechanisms for identified exposures - Monitoring foreign exchange movements through periodic treasury reviews - Diversifying export exposure across markets and geographies	Capability Strengthening - Strengthening resilience across international operations - Improving earnings visibility through disciplined treasury management - Enhancing competitiveness in global markets

R2 - Interest Rate Risk

Priority

Low

Capital Impacted

Risk Horizon

Risk Drivers

Changes in domestic and international interest rates and their impact on borrowing costs and financing structures.

Business Implications

Interest rate volatility may influence financing expenses, capital planning decisions, and overall cost of funds.

Our Response

Monitoring interest-rate movements through treasury reviews

Maintaining prudent debt and liquidity management practices

Optimising financing mix in line with business requirements

Capability Strengthening

Improving financial planning flexibility

Supporting disciplined capital allocation

Strengthening long-term funding efficiency

Strategic and Commercial Risk

R3 - Market and Economic Cyclical Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Economic cycles, infrastructure spending, mining activity, industrial demand trends, and geopolitical developments influencing sector growth.

Business Implications

Slowdowns across core sectors may affect order flows, capacity utilisation, project execution, and revenue visibility.

Our Response

Diversifying presence across sectors and markets

Strengthening customer engagement across mining, infrastructure, defence, and industrial segments

Maintaining operational flexibility and disciplined cost management

Capability Strengthening

Building resilience through a diversified business portfolio

Expanding participation across high-growth sectors

Strengthening long-term growth visibility

R4 - Customer Relationship Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Evolving customer expectations, service responsiveness, execution quality, and competitive intensity.

Business Implications

Operational delivery gaps may affect customer retention, repeat business opportunities, and long-standing customer relationships.

Our Response

Strengthening customer engagement and technical support systems

Enhancing product quality and delivery reliability

Maintaining close coordination across manufacturing, logistics, and customer-facing teams

Capability Strengthening

Strengthening customer loyalty and repeat business

Enhancing brand preference through execution reliability

Supporting growth across existing and new customer segments

R5 - Reputational Risk

Priority

High

Capital Impacted

Risk Horizon

Risk Drivers

Operational incidents, stakeholder expectations, regulatory developments, media visibility, and business conduct practices.

Business Implications

Reputational setbacks may affect stakeholder confidence, customer relationships, regulatory engagement, and long-term business credibility.

Our Response

Strengthening operational governance and quality systems

Maintaining transparent stakeholder communication practices

Reinforcing compliance and ethical business conduct across the organisation

Capability Strengthening

Building stronger stakeholder confidence

Enhancing credibility through responsible business practices

Strengthening trust across customers, communities, and regulators

Operational Risk

R6 - Supply Chain Resilience Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Supplier dependencies, logistics disruptions, transportation bottlenecks, inventory movement challenges, and geopolitical uncertainties.

Business Implications

Supply chain disruptions may affect production continuity, project execution timelines, and customer commitments.

Our Response

Strengthening supplier diversification strategies

Improving logistics planning and coordination mechanisms

Maintaining inventory buffers for critical materials and inputs

Capability Strengthening

Improving delivery reliability across operations

Strengthening vendor partnerships and collaboration

Supporting long-term supply chain resilience

R7 - Technology and Innovation Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Technology advancements, automation trends, evolving customer requirements, and changing manufacturing practices.

Business Implications

Delayed technology adoption may affect operational efficiency, competitiveness, and product relevance.

Our Response

Continuing investments in research, development, and innovation

Upgrading manufacturing systems and automation capabilities

Monitoring emerging technologies relevant to explosives and defence applications

Capability Strengthening

Advancing operational productivity and efficiency

Supporting technology-led manufacturing capabilities

Strengthening competitiveness through innovation

R8 - Cybersecurity Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Cyber threats, data-security vulnerabilities, increasing digitalisation, and technology-system disruptions.

Business Implications

Cyber incidents may affect business continuity, information security, operational systems, and stakeholder confidence.

Our Response

- Strengthening cybersecurity protocols and monitoring systems
- Conducting periodic security assessments and vulnerability reviews
- Implementing regular system upgrades and security updates

Capability Strengthening

- Improving digital resilience across operations
- Strengthening protection of critical information assets
- Supporting secure digital transformation initiatives

R9 - Talent and Capability Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Availability of skilled talent, workforce productivity, evolving capability requirements, and employee retention trends.

Business Implications

Talent shortages may affect operational efficiency, project execution, leadership continuity, and long-term growth.

Our Response

- Strengthening talent acquisition and retention initiatives
- Expanding training and capability-building programmes
- Building leadership and succession readiness across functions

Capability Strengthening

- Building a stronger internal talent pipeline
- Enhancing workforce productivity and engagement
- Supporting organisational continuity and long-term growth

ESG and Governance Risks

R10 - Safety, Health and Environment (SHE) Risk

Priority

High

Capital Impacted

Risk Horizon

Risk Drivers

Process-safety exposure, operational hazards, environmental compliance requirements, and workplace safety conditions.

Business Implications

Safety incidents or environmental lapses may affect employee well-being, operational continuity, regulatory compliance, and stakeholder confidence.

Our Response

- Maintaining a structured SHE management framework across operations
- Conducting regular safety audits, inspections, and compliance reviews
- Investing in safety training, awareness programmes, and emergency preparedness

Capability Strengthening

- Strengthening workplace safety standards across facilities
- Enhancing operational reliability and preparedness
- Building a stronger culture of safety and responsibility

R11 - Regulatory Compliance Risk

Priority

High

Capital Impacted

Risk Horizon

Risk Drivers

Changes in industrial regulations, environmental norms, licensing requirements, defence-related regulations, and governance expectations.

Business Implications

Non-compliance may result in operational disruptions, financial liabilities, reputational exposure, and delays in business activities.

Our Response

- Maintaining structured compliance monitoring mechanisms
- Conducting periodic internal audits and governance reviews
- Strengthening policy adherence and documentation practices

Capability Strengthening

- Enhancing governance standards across operations
- Building stronger regulatory preparedness
- Supporting responsible and sustainable growth

R12 - Environmental and Resource Efficiency Risk

Priority

Medium

Capital Impacted

Risk Horizon

Risk Drivers

Evolving environmental regulations, resource-efficiency requirements, emissions-related developments, and increasing stakeholder expectations around responsible operations.

Business Implications

Changes in environmental standards and resource-use expectations may influence operating costs, compliance requirements, and future investment priorities.

Our Response

- Improving resource efficiency across manufacturing operations
- Strengthening environmental monitoring and reporting systems
- Promoting waste reduction and resource optimisation initiatives

Capability Strengthening

- Improving operational efficiency through responsible resource use
- Supporting cleaner and more efficient manufacturing practices
- Strengthening long-term environmental preparedness



Integrated Strategy for Value Creation



Financial
Capital



Manufactured
Capital



Intellectual
Capital



Human
Capital



Social and
Relationship Capital



Natural
Capital

Financial Capital



Rising on Discipline, Shining Through Performance

In a dynamic operating landscape, our approach is anchored in disciplined capital allocation and sound financial management. We align our financial decisions with operational priorities, expansion plans and long-term value creation. By strengthening our foundation and sharpening our competitive edge, we continue to seize new opportunities and scale with impact. Our performance this year reflects a careful balance between reinvestment and financial stewardship, with a clear emphasis on maintaining liquidity, managing leverage and sustaining growth momentum.

Safeguarding today

- ▶ Margin stability through cost discipline and supplier alignment
- ▶ Balance sheet strength to support investments across business cycles

Building for tomorrow

- ▶ Long term shareholder value through consistent capital allocation and delivery

Our priorities

- ▶ Capital efficiency
- ▶ Revenue diversification
- ▶ Business resilience
- ▶ Strategic investment

What we achieved

491%

Increase in revenue in past 10 years

865%

Increase in PAT in past 10 years

1,624%

Increase in Market Capitalisation in past 10 years



Material Topic

- ▶ Economic performance
- ▶ Business resilience

Stakeholders impacted

-  Business partners
-  Customers
-  Communities
-  Shareholders and Investors

SDG Covered



What we endeavour to achieve

- ▶ Funding the next generation of defence capabilities and global market expansion
- ▶ Creating sustainable financial value for shareholders through consistent execution



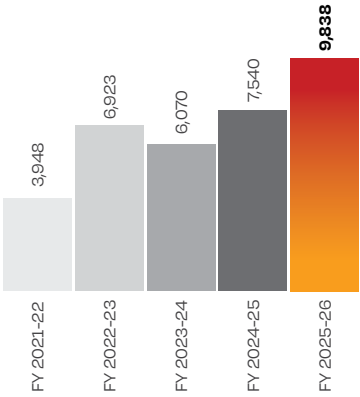
Financial Snapshot

The financial year marked a steady and disciplined execution across our key business areas. Our revenue growth remained in line with internal plans, supported by consistent operational performance and prudent cost management, resulting in stable profitability. We deployed capital to support evolving business requirements, reinforcing our readiness to support future growth.

Business Summary

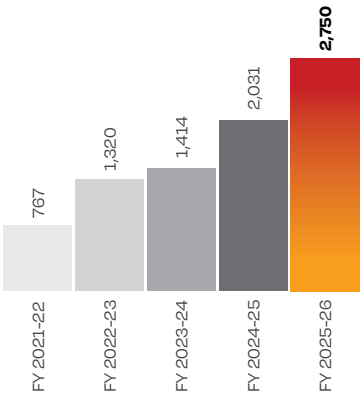
Net sales

(₹ in Cr.)



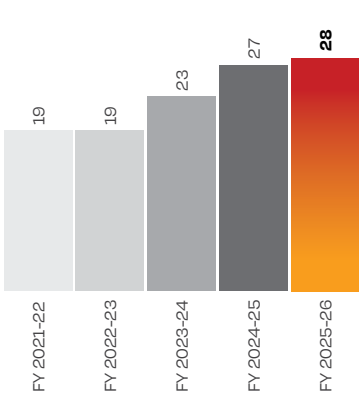
EBITDA

(₹ in Cr.)



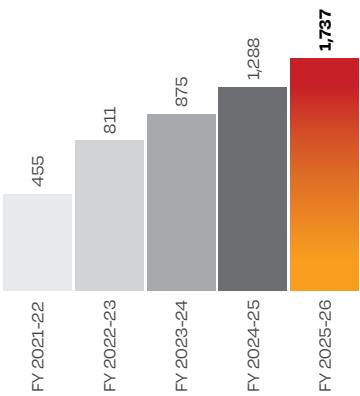
EBITDA

(in %)



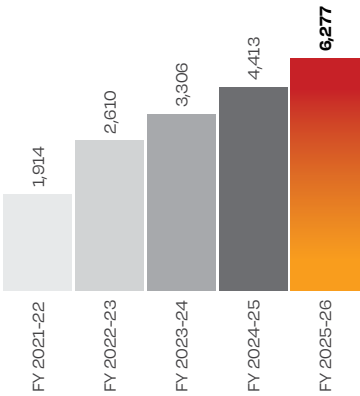
PAT

(₹ in Cr.)



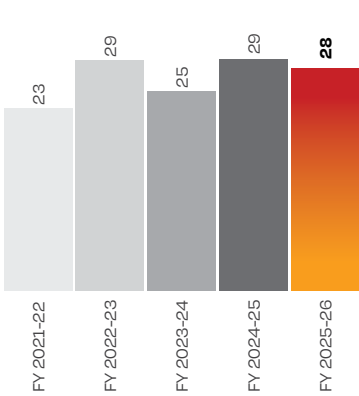
Net worth

(₹ in Cr.)



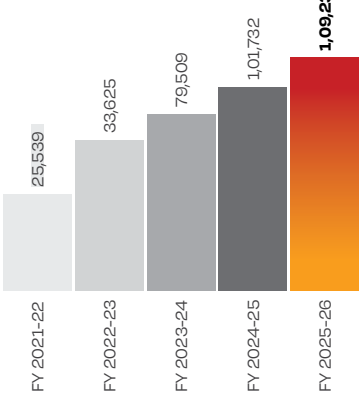
Return on Net worth

(in %)



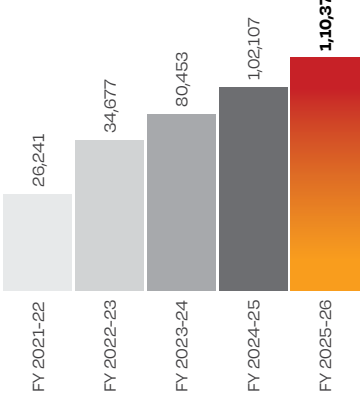
Market Cap

(₹ in Cr.)



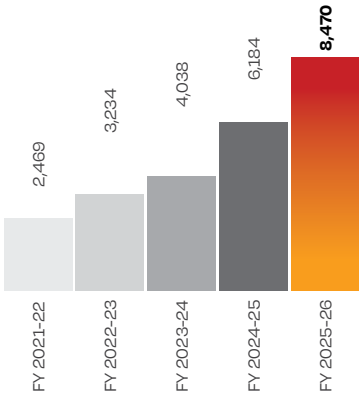
Enterprise Value

(₹ in Cr.)



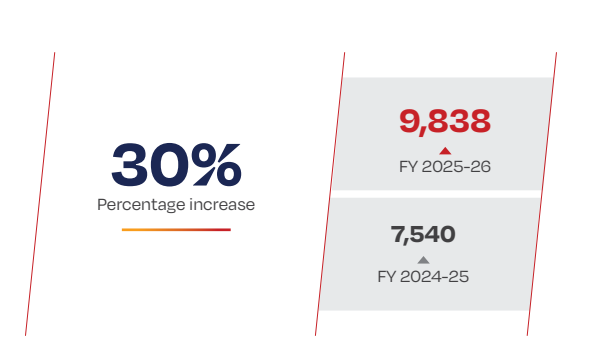
Capital Employed

(₹ in Cr.)



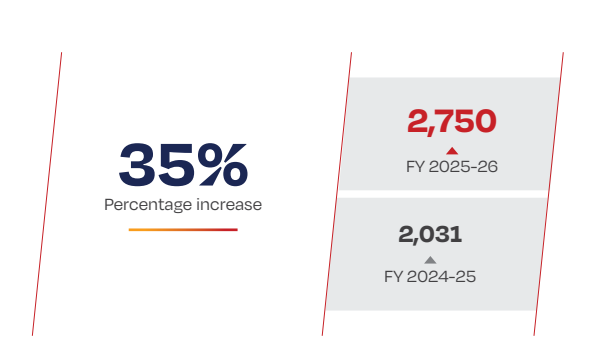
Net sales

(₹ in Cr.)



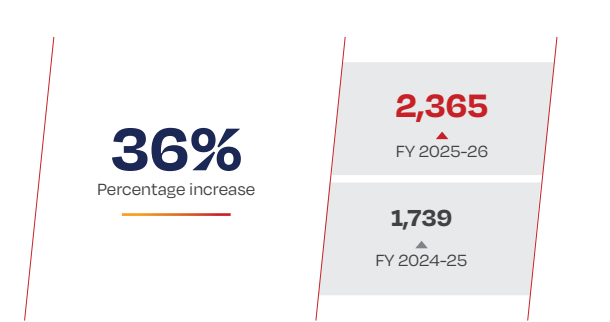
EBITDA

(₹ in Cr.)



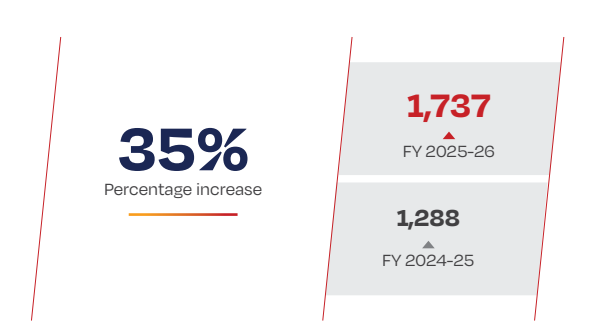
PBT

(₹ in Cr.)



PAT

(₹ in Cr.)



Committed to Strategic Capital Investment



Our approach to capital allocation remains anchored in a long-term perspective, with investments guided by clearly defined priorities and disciplined execution. The underlying investment thesis continues to progress in line with planned milestones. The MoU signed with the Government of Maharashtra, centred on defence manufacturing, indicates the direction of the next phase of capacity creation and business expansion.

Creating Holistic Value



Our revenue profile has evolved, with a higher contribution from defence and international operations reaching meaningful scale. This transition is the outcome of sustained, multi-year investments, supported by calibrated capital deployment and consistent execution. Value creation is now distributed across geographies, reducing reliance on any single driver and providing greater balance to the overall business.

Managing Financial Risk



A robust risk management framework supports our operational and financial decision-making. Capital deployment is undertaken with discipline, supported by established supplier relationships and a resilient supply chain designed to maintain continuity under varying external conditions. This enables us to navigate volatility while maintaining delivery commitments and investment momentum.

Outlook



Current business momentum provides visibility into our near- to medium-term trajectory. This shift is reflected in the rising contribution of defence within our overall portfolio. Our investments over the years are now translating into tangible operational outcomes, supported by a future-ready pipeline and continued capital deployment towards defence-related opportunities.

Manufactured Capital

Built to Rise Engineered to Shine

Our manufactured capital is founded on a state-of-the-art manufacturing infrastructure comprising advanced production facilities, integrated manufacturing capabilities and expanding capacity across industrial explosives, defence products and high-energy materials. Supported by stringent safety systems, precision engineering and technology-led processes, our infrastructure delivers quality, reliability, and operational excellence at scale, while meeting growing demand across the globe.



Safeguarding today

- ▶ Product quality, safety standards and regulatory compliance across facilities
- ▶ Operational continuity through integrated supply chain systems

Building for tomorrow

- ▶ A globally distributed manufacturing network with centralised quality oversight
- ▶ Scalable capacity aligned with demand across defence, mining and infrastructure segments

Our priorities

- ▶ Product Quality
- ▶ Resilient supply chain
- ▶ Safety first approach
- ▶ Global expansion

What we achieved

40+

Manufacturing locations across domestic and international markets

₹21,300 Cr. +

Order book



Material Topic

- ▶ Product Safety and Quality

Stakeholders impacted

-  Business partners
-  Customers
-  Employees

SDG Covered



What we endeavour to achieve

- ▶ Scaling production to serve a growing order book with reliable delivery
- ▶ Building world-class facilities that position solar as a global standard manufacturer

Our manufacturing operations enable agile execution, ensuring effective management of delivery timelines, adherence to quality benchmarks, and compliance with evolving regulatory requirements. A centralised control framework drives process standardisation and oversight across locations, ensuring consistent production outcomes irrespective of geography.

Facility Upgradation

Our facilities continue to evolve through targeted investments in defence-grade infrastructure and enhanced production capabilities. Each upgrade is aligned with specific operational or compliance requirements, reflecting the demands of our growing defence and industrial business.

Advancements in Manufacturing and Technology

Our manufacturing approach integrates stringent input control with the adoption of advanced process technologies. We have undertaken backward integration initiatives to manage supply dependencies and optimise cost structures. At the same time, the deployment of digital tools across production lines supports process consistency, reduces waste and improves operational responsiveness.

Supply Security framework Technology Enablers

- Long-term sourcing agreements for critical inputs
- Exclusive arrangements for key materials
- Multiple qualified sources to avoid single-source dependency
- Regular audits and continuous improvement with supply partners
- Cost optimisation through volume benefits and negotiated pricing

Technology Enablers

- Real-time OEE monitoring and IIoT for downtime identification
- Digital packing controls reducing giveaway and improving consistency
- Integrated utility dashboards for compressors, chillers and power systems
- Data-driven fleet optimisation reducing idle time and TAT



Supply Chain Resilience

We have directed our supply chain investments towards improving operational visibility, reducing handling time and strengthening responsiveness to changes in demand and external conditions. Our approach is designed to absorb disruptions while maintaining continuity in customer deliveries, ensuring reliability and stability across our operations.

01	02	03	04
Palletisation	Real-Time Tracking	Fleet Optimisation	TAT Reduction
Optimised vehicle loading to reduce handling time and movement cycles	End-to-end visibility of material and vehicle movement across the supply chain	Data-driven planning reducing idle time and improving asset utilisation	Faster turnaround on transportation and production dispatch improving responsiveness

Safety Culture at Solar

In an environment where materials and operations carry inherent risk, safety is not approached as a procedural formality. We embed rigorous safety standards into the design of our facilities, the execution of our processes and the training of our people, ensuring it is integral to every aspect of our operations.

5S	IIoT	Zero	All	Minimum
Safety framework across all production areas	Multi-level real-time alert systems	Tolerance for unsafe work continuance	Workers empowered to stop unsafe work	Human-explosive interaction through automation

Our manufacturing capabilities are supported by scale, process standardisation and integration across the value chain. We manage operations end-to-end—from raw material sourcing to delivery at customer locations—through defined systems that ensure control at every stage. Centralised oversight of composition, process parameters and quality standards enables consistency across our domestic and international facilities. This integrated approach enables reliable execution and alignment with customer requirements and regulatory expectations.



Positioned for Long-term Growth

Our investments in recent years have expanded our manufacturing base in line with evolving business requirements. We are advancing planned capacity additions in defence, extending our geographical footprint and embedding technology across operations to enhance capability. These initiatives position us to advance into the next phase of growth with enhanced scale, agility and execution strength.

Defence Depth

Upcoming RDX and HMX facilities further strengthen the capability

Domestic Expansion

Dhule greenfield and Rajasthan Explosives acquisition add capacity

Global Footprint

New facilities in Zimbabwe and Kazakhstan, along with expansion in Nigeria

Next Generation

Robotics and UAV capabilities at MIHAN, Nagpur signal the direction of future manufacturing at Solar

Intellectual Capital

Where Innovation Drives Our Rise



Innovation and knowledge are the foundation of Solar Industries' sustained growth and technological leadership. Our intellectual capital is built on the expertise of our Mining Engineers, Technical Service providers, Defence personals and aeronautical workforce, who continuously transform ideas into cutting-edge solutions for both civil and defence applications.

Through focused investments in research and development, indigenous technologies, and advanced engineering, we have expanded our capabilities from industrial explosives to high-value defence systems, including rockets, missiles, UAVs, and high energetic materials. A culture of continuous learning, collaboration, and innovation empowers our teams to develop reliable, high-performance solutions that meet evolving industry and national security requirements.

By strengthening our knowledge ecosystem through strategic partnerships, technological excellence, and talent development, we continue to create differentiated products, accelerate innovation, and reinforce our position as a trusted partner in building a safer, stronger, and more self-reliant future.

Safeguarding today

- ▶ Knowledge, innovation and technology that support scale and operational requirements
- ▶ Market understanding and digital systems that enable timely and informed decision-making

Building for tomorrow

- ▶ R&D programmes translated into products aligned with national security requirements
- ▶ Digital integration supporting consistency and operational efficiency across facilities

Our priorities

- ▶ R&D and Technology
- ▶ Strategic Collaborations
- ▶ Customer-centric Innovation
- ▶ Digital Transformation in Manufacturing

What we achieved

250+

Projects by digitisation and automation research team in last five years

₹ 24.82 Cr.

Product Development Costs



Material Topic

- ▶ R&D
- ▶ Innovation
- ▶ Digitalization

Stakeholders impacted

-  Business partners
-  Customers
-  Employees

SDG Covered



What we endeavour to achieve

- ▶ Translating innovation investment into products that serve national security requirements
- ▶ Positioning Solar as a knowledge-led, solutions-oriented defence and industrial partner

Research and Development

Our R&D activities are aligned with identified requirements across defence and aerospace segments. We focus on programmes with extended development cycles, where progression from design to deployment spans multiple years. These initiatives are supported by investments and specialised technical capabilities, with development processes structured to meet stringent performance and regulatory standards.



For us, research and development is a long-term commitment, requiring sustained investment over extended periods. The development of the Pinaka Enhanced Range system, for instance, spanned over eight years and involved the manufacture of nearly **100 rockets** for trials.

Similarly, the Nagastra loitering munition programme required the deployment of approximately **40 systems**, with an investment of around **₹20 Cr.** during the trial phase. These investments reflect the scale of conviction underpinning our innovation agenda.

From Development to Deployment

During the year, several products progressed from development to operational validation, marking a critical transition in our innovative cycle. Active orders from the Indian Armed Forces provide tangible commercial validation of our product development pipeline, reflecting both technological maturity and execution capability.

450

Nagastra-1R units ordered by Indian Army in FY 2025-26

80%+

Indigenous content in Nagastra-1R system



Nagastra-1R

Advanced loitering munition with 360-degree gimbal camera



Vijayastra

Lightweight composite airframe, deployable from man-portable launchers or UAV carriers



Bhargavastra

Counter-drone system; Launches 64 micro-rockets to engage 64 drones simultaneously

Strategic Collaboration

Our programmes are inherently multi-disciplinary, requiring collaboration across government laboratories, academic institutions and industry partners. These partnerships accelerate capability development and ensure alignment with national defence priorities.

Our Objectives

- 01 Position Nagpur as a development and manufacturing hub for drone and UAV in India
- 02 Build a sustained academic-industry pipeline for next-generation defence technology talent
- 03 Expand collaboration into counter-drone, ATGM and AI-integrated weapon systems
- 04 Leverage the Make-II framework to bring new programmes into the indigenisation pipeline

Knowledge Protection and IP Management

Our approach is deliberate and structured, balancing the need for collaboration with the imperative of retaining proprietary advantage.



Not to publish detailed technical data in the public domain and information shared with vendors is carefully controlled and distributed in limited form



Remain focused on building knowledge systems, reducing reliance on external technology transfers



Expanded our scientific and technical talent base, drawing expertise from both domestic and international markets



Integrate feedback from the armed forces into our R&D, manufacturing and quality functions, enabling cause analysis and continuous product improvement

Innovation Pipeline and Future Objectives

We are advancing the next phase of development through clearly identified technology areas within defence applications. These key areas are supported by ongoing programmes, with defined resource allocation and execution timelines. Our approach is centred on progressing technologies from development to deployment, aligned with anticipated requirements across defence segments, ensuring readiness for evolving operational needs.

Long-Range and Surveillance UAVs

MALE class systems, long-range combat drones, and hybrid VTOL platforms

Precision-guided Munitions

Long-range guided rockets, ATGMs, IM-compliant warheads and bunker buster

Counter-Drone Systems

Next-generation systems to protect critical infrastructure against hostile drone swarms

AI and Robotics

Integration of AI and robotic systems across design, testing and manufacturing workflows

Green Explosives

Research into environmentally friendly explosive formulations aligned with long-term sustainability commitments

New Generation Explosives

Advanced high-energy material formulations for next-generation defence and commercial applications

Human Capital



People Ingenuity at the Core of Our Rise

At Solar Industries, our people are the cornerstone of our sustained growth and operational excellence. During the year, we strengthened organisational capabilities through structured learning and development programmes, leadership development initiatives and strategic talent acquisition to meet evolving business needs. Our leadership philosophy emphasises integrity, accountability, collaboration and continuous learning, empowering employees to deliver their best.

We remain committed to fostering a high-performance culture built on innovation, safety and operational excellence. Guided by our Zero Breakdown, Zero Defects and Zero Accidents (BZDA) philosophy, we reinforce quality, discipline and continuous improvement across our operations, enhancing efficiency, cost competitiveness and long-term value creation for all stakeholders.

Safeguarding today

- ▶ A skilled and safety-focused workforce across facilities and functions
- ▶ A work environment where learning, safety and well-being are integrated into daily operations

Building for tomorrow

- ▶ Leadership depth and technical capability aligned with future business requirements
- ▶ An organisation that supports employee growth alongside business expansion

Our priorities

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

What we achieved

27,780,807

Hours of injury free work

Zero

instances of Sexual Harassment

Material Topic

- ▶ Occupational health and safety
- ▶ Employee learning and development
- ▶ Human rights
- ▶ Diversity and Inclusion

Stakeholders impacted

- Business partners
- Government and Regulatory bodies
- Employees

SDG Covered



What we endeavour to achieve

- ▶ Workforce capability aligned with safety and future business requirements
- ▶ Organisational growth supported by structured employee development



Attracting, Developing and Retaining Talent

We built our talent base during the year by focusing on both technical and managerial capabilities across levels. Our hiring approach combined the induction of graduation from leading technical institutions with the onboarding of experienced professionals for specialised and leadership roles.

We have established structured processes to identify high-potential employees and support their progression through defined development pathways. These include role-based training, cross-functional exposure and progressively greater responsibility.

While targeted external hiring supports specific skill and leadership requirements, our emphasis on internal development ensures continuity and deep domain knowledge. Senior-level hiring during the year was aligned with enhancing organisational depth to support our expanding business.

26

Employees enrolled in Fly High programme

80+

IIT graduates hired during FY 2025-26

Fly High Career Progression Programme

The Fly High Career Progression programme is a structured initiative designed to develop internal talent and build future leadership capability. We select participants through a rigorous multi-stage process, including assessments, structured interviews and evaluations involving external panels. Selected participants are supported through higher education programmes such as MBA and MTech, complemented by role progression, cross-functional exposure and mentorship from senior leadership. Participants are required to demonstrate outcomes through project-based assignments, ensuring that development translates into measurable contributions to the business.



Learning and Development

We structure learning to be role-specific and aligned with clearly defined competency requirements. Our competency frameworks span all roles, with periodic assessments used to identify credibility gaps and inform targeted development interventions.

Our initiatives are organised across three core areas



Functional development

We build

technical and domain expertise aligned with role-specific requirements



Behavioural training

We strengthen

communication, collaboration and problem-solving capabilities essential for effective execution



Leadership training

We prepare

employees for increased responsibilities, especially preparing them for managerial roles.

1,106

Learning & Development Sessions

~10 Hrs

Average training hours per employee

We continued to build a capable, informed and resilient workforce through focused programmes designed to strengthen performance, awareness and employee wellbeing. A behaviour-based training programme for operators, led by Shri Amit Pisal, addressed human factors affecting production quality and supported our “Zero Defects” objective. An Employees’ State Insurance Corporation (ESIC) Awareness Training session enhanced understanding of key social security benefits.

Our employee wellbeing initiatives included an ergonomics and posture session combining expert guidance with one-on-one counselling. A Self-Defence Awareness Session held on International Women’s Day also equipped women employees with practical safety skills.

One-to-one Leadership Coaching

We introduced one-to-one leadership coaching for selected high-potential employees, aimed at developing leadership and people management capabilities. The programme includes structured assessments, targeted feedback and individual development plans, delivered by experienced external professionals. We have extended the scope of this initiative to include workers and contractual employees, ensuring that capability development is inclusive and accessible across the organisation.



Employee Engagement and Well-being

We have transformed our employee engagement from periodic activities to a structured, year-round programme, with initiatives tailored to different employee groups. During the year, we extended participation to include employees' families in select initiatives, recognising the role of a strong support system in overall well-being. We also introduced interest-based clubs, group activities and targeted programmes for our women employees, fostering a more inclusive and supportive workplace environment.

Well-being Framework

Physical

On-site physiotherapy support for posture-related and routine health concerns

Mental

24/7 confidential counselling support for employees and family members

Financial

Guidance on savings, investment planning, and market awareness

Psychological

Structured support for managing work-related pressures



Diversity, Equity and Inclusion

Our approach to diversity and inclusion is grounded in addressing practical barriers within the workplace. The POSH committee continues to oversee prevention of workplace harassment while supporting initiatives that improve inclusion across the organisation.

provisions incorporated into site readiness to support the engagement of women employees. Our efforts are designed to foster an environment where individuals across roles and backgrounds can participate meaningfully and contribute with confidence.

During the year, we identified and addressed structural constraints that may limit workforce participation. For instance, transportation access at new plant locations was assessed at the planning stage, with necessary

17%

Women in total workforce



Safety Culture

Safety is a shared responsibility—shaped by continuous learning, behaviour and accountability. We embed this culture through structured training, regular audits and adherence to standardised operating procedures. Our approach combines robust technological controls with disciplined practices, recognising that systems are solely effective when supported by consistent compliance. We leverage learning and development as a key enabler, embedding safety awareness deeply into the workforce.

Cultural Ownership

Employees across roles, including workers and contractual staff, are authorised to halt work in situations identified as unsafe, irrespective of grade or function

Continuous Reinforcement

Structured training, periodic audits and standard operating procedures are implemented to maintain safety practices across the permanent and contractual workforce

Technology and Systems

Automation, IoT-based monitoring, multi-level alerts and explosion-proof equipment are deployed to reduce human interaction across production processes

1,13,828

Safety training hours conducted during the year

798

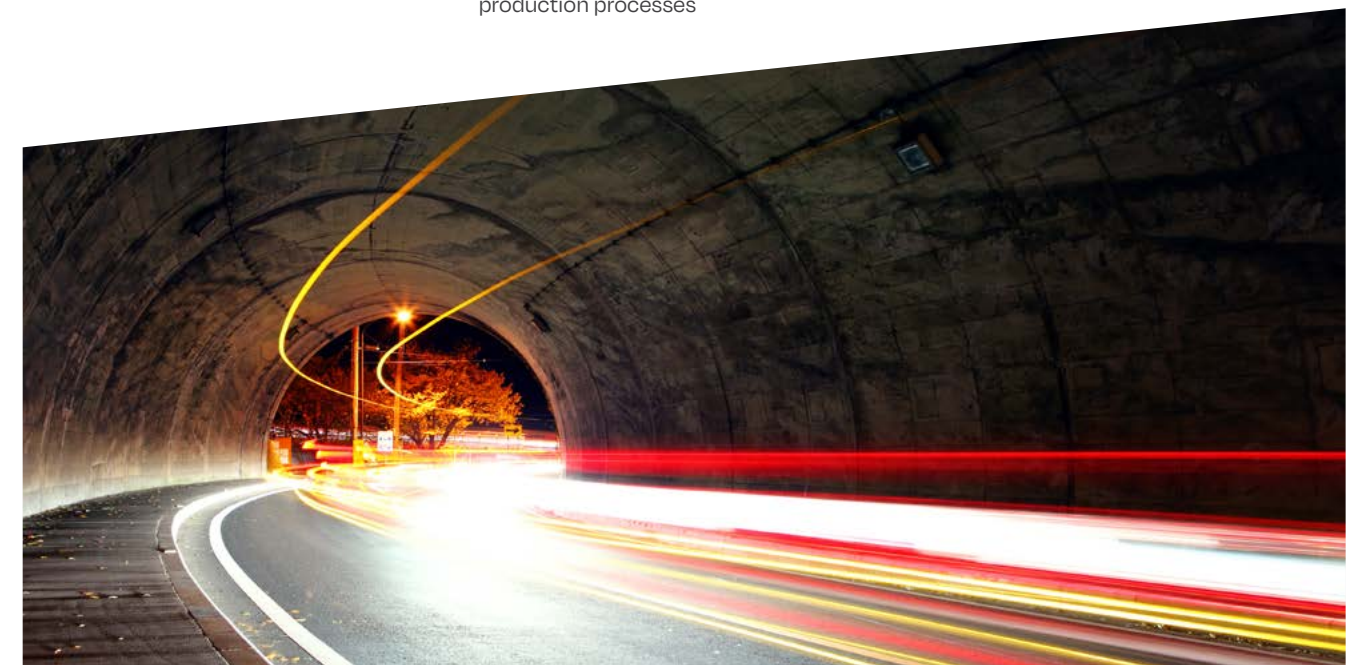
Safety audits completed across facilities

5S

Framework maintained across all production areas as part of safety compliance

Zero

Lost time injury



The Road ahead

Our HR approach continues to evolve in line with changing business requirements, balancing external hiring with internal capability and ensuring continuity across roles. In addition, we strive to bolster leadership pipeline through targeted development and progression initiatives across defence, domestic and international markets.

We have extended learning, engagement and well-being programmes to include workers and contractual employees, reinforcing our commitment to inclusive capability building. Going forward, our HR strategy will continue to support business objectives by building a workforce aligned with operational priorities and long-term growth.

15,727

Total workforce strength as of FY 2025-26

917

New hires across all levels during FY 2025-26

Social and Relationship Capital



Rising together Shining through Resonsibility

Our Journey of growth is guided by commitment to responsible business practices and sustainable value creation.

We work collaboratively with our stakeholders to drive positive change, strengthen communities, and create lasting impact through integrity, transparency and social responsibility, we continue to builds trust and illuminate the path towards a better tomorrow.

Safeguarding today

- ▶ Trust across stakeholders through consistent delivery, ethical conduct and responsible sourcing
- ▶ Community relationships across operating locations

Building for tomorrow

- ▶ Community impact through CSR investments in education, healthcare and environment
- ▶ A stable supply ecosystem through MSME engagement and timely vendor payments

Our priorities

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

What we achieved

₹107.60 Cr.

CSR expenditure in last 5 years

10,000+

Suppliers across value chain

₹42 Cr.

CSR expenditure in fiscal year

Material Topic

- ▶ Customer satisfaction
- ▶ Community relations

Stakeholders impacted

-  Business partners
-  Government and Regulatory bodies
-  Employees

SDG Covered



What we endeavour to achieve

- ▶ Strengthening the relationships that underpin every dimension of long-term value creation.
- ▶ Demonstrating commercial success and community responsibility.

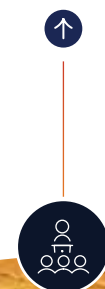
Enabling Community Progress

At Solar, we believe sustainable progress comes from empowering communities with opportunities that improve quality of life and promote self-reliance. Our initiatives focus on education, healthcare, livelihood creation, environmental stewardship and cultural preservation. By partnering with institutions and social organisations, we strive to generate meaningful, inclusive, and lasting impact, contributing to long-term socio-economic development and shared value across the communities we serve.

Expanding Access to Quality Education

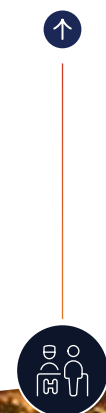
Education continues to be a fundamental pillar of inclusive and sustainable development. During the year, we supported a range of initiatives aimed at enhancing educational infrastructure and broadening access to quality learning opportunities. Our efforts included the upgradation of school facilities and the implementation of programs designed to improve educational access for underprivileged children, including children with visual impairments.

Through these interventions, we seek to foster enabling learning environments, promote educational equity, and empower future generations with greater opportunities for growth and development. By investing in education, we remain committed to contributing meaningfully to the creation of a more inclusive and resilient society.



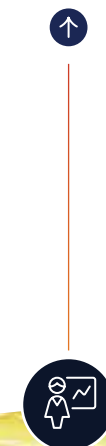
Advancing Affordable Healthcare

Access to quality healthcare is fundamental to community well-being. During the year, we supported institutions working to improve healthcare infrastructure and expand access to affordable medical services. Our interventions contributed to preventive diagnostics, dialysis services, specialised eye-care treatment, and critical healthcare support for economically disadvantaged communities. Support was also extended towards hearing restoration initiatives and healthcare infrastructure development, enabling greater access to essential medical care for underserved sections of society.



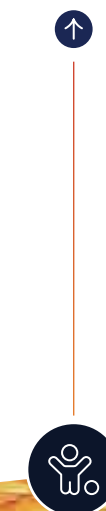
Enabling Women Through Livelihoods and Skills

Economic empowerment acts as a catalyst for sustainable development, enabling individuals to achieve self-reliance and contribute meaningfully to society. Our initiatives focus on enhancing livelihood opportunities and skill development for women. Through collaborations with social organisations, we support programmes that equip women, especially those from vulnerable and disadvantaged backgrounds, with vocational skills and sustainable income-generation opportunities, fostering financial independence, self-reliance, and inclusive community growth.



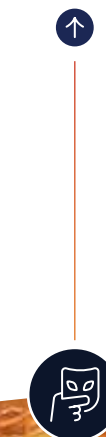
Animal Welfare

As part of our CSR initiatives, we support animal welfare by contributing to projects that ensure the care, protection and well-being of animals. These efforts include developing infrastructure for habitat management, preparing fire lines and supporting anti-poaching measures. Through these initiatives, we promote compassion and responsible coexistence between humans and animals.



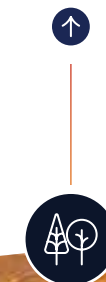
Preserving Our Rich Traditions

India's cultural heritage is a vibrant repository of traditions, values, and knowledge that shapes the nation's collective identity. During the year, we supported initiatives aimed at preserving, promoting, and celebrating this diverse cultural and intellectual legacy. Through these efforts, we helped foster greater awareness and appreciation of the country's enduring traditions while safeguarding its heritage for future generations.



Promoting Environmental Stewardship

Environmental responsibility remains a key pillar of our community development initiatives. During the year, we collaborated with various stakeholders to support programmes focused on environmental conservation, biodiversity protection, and ecosystem preservation. Our efforts included raising environmental awareness through targeted outreach and supporting infrastructure enhancement measures. These initiatives reflect our commitment to fostering environmental resilience and safeguarding natural resources for present and future generations.



Natural Capital



Nurturing Resources that Power Responsible Progress

We remain committed to environmental sustainability, which is integral to our operations and guiding ethos. Given the resource-intensive nature of our activities, we embed responsible practices focused on reducing resource consumption, managing emissions and discharges and safeguarding ecosystems around operating locations. We invest in robust environmental management systems, supported by rigorous due diligence, regular assessments and proactive emergency response measures. This structured approach enables us to effectively control and minimise environmental impact across our operations.

Safeguarding today

- ▶ Natural resources through controlled use of energy, water, and raw materials across operations
- ▶ Land and ecosystems surrounding plant locations through responsible environmental management

Building for tomorrow

- ▶ Water management systems including zero liquid discharge and wastewater reuse within facilities
- ▶ Reduced environmental impact through cleaner fuels, energy efficiency measures, and biodiversity initiatives

Our priorities

- ▶ Energy efficiency and emission reduction
- ▶ Sustainable waste management
- ▶ Biodiversity protection
- ▶ Water conservation and management

What we achieved

Zero

Environmental incidents

16%

Renewable energy share in total energy mix

100%

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

Material Topic

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

Stakeholders impacted

-  Business partners
-  Government and Regulatory bodies
-  Employees

SDG Covered



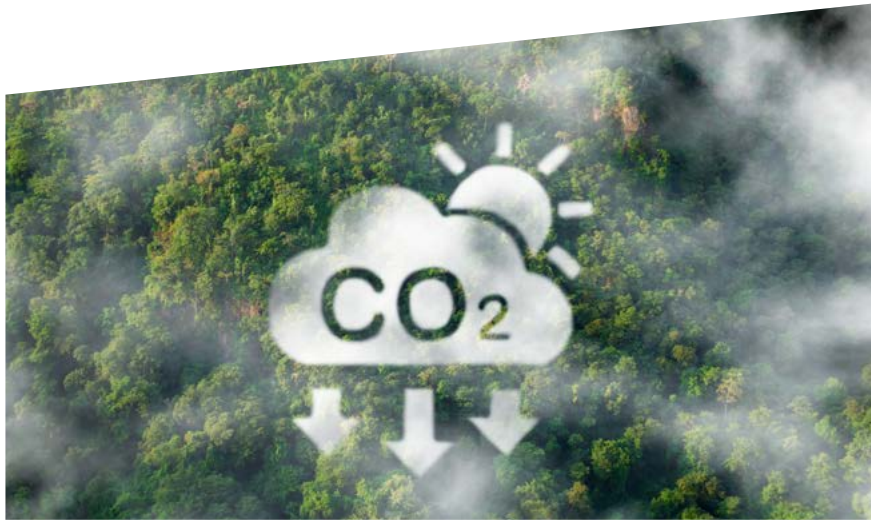
What we endeavour to achieve

- ▶ Growth aligned with the need to manage impact on surrounding ecosystems
- ▶ Environmental governance systems aligned with expectations of investors and global partners

We manage resource utilisation, waste management, water consumption and robust environmental practices at plant locations through defined processes and monitoring systems.

Energy and Emissions

We improve energy efficiency through targeted operational improvements and fuel transition initiatives. Boilers are being redesigned to operate on briquettes, reducing reliance on coal and supporting the shift towards cleaner fuel sources. In addition, automation and digital upgrades have been implemented to improve energy utilisation across production processes. Our focus remains on progressively lowering carbon intensity, supported by better tracking and measurement systems.



Recognised for Energy Efficiency

The Company received multiple recognitions at the Quality Circle Forum of India's 11th National Conclave on 5S and 2nd Convention on Energy Conservation. Four teams received Par Excellence Awards, seven bulk units earned 5S Excellence certifications and six teams secured Five Star Awards for energy-saving innovations, underscoring our continued focus on energy efficiency, operational discipline and sustainable practices across facilities.

Water Management

Solar manages water as a critical operational input, with proper systems in place to control usage and discharge. Zero liquid discharge practices are implemented across facilities, with wastewater treated through in-house treatment systems and reused within operations.

Treated water is utilised for utilities, landscaping and other non-production purposes, ensuring no external discharge. Controls are embedded across the water cycle to mitigate contamination risks and maintain compliance with environmental standards.



Waste Management

Waste management is carried out through defined processes aligned with the nature of materials handled. Waste streams are segregated into hazardous and non-hazardous categories, with clear protocols governing handling, storage and disposal.

We engage authorised vendors for the treatment and disposal of hazardous waste, ensuring compliance with regulatory and safety requirements across the disposal chain. Our approach focuses on risk management through process controls, recognising the operational implications of waste handling in the business.

Hazardous Waste

Managed exclusively through government-approved authorised vendors. Strict handling protocols at every stage from segregation to final disposal

Non-Hazardous Waste

Segregated and processed through defined disposal pathways aligned with regulatory requirements and internal environmental standards

Risk Prevention Focus

Emphasis on preventing environmental risk at source rather than managing consequences, given the sensitivity of operations



Biodiversity and Ecological Responsibility

We plan our facility layouts in a dispersed manner to reduce concentrated land impact and maintain green cover around plant locations. Natural reservoirs and water bodies are integrated into facility design and maintained as part of ongoing operations.

In addition, we support surrounding ecosystems, including cleaning and maintenance of nearby water bodies such as local lakes. Our environmental initiatives extend beyond our facilities through plantation and replantation activities in our neighbouring communities.

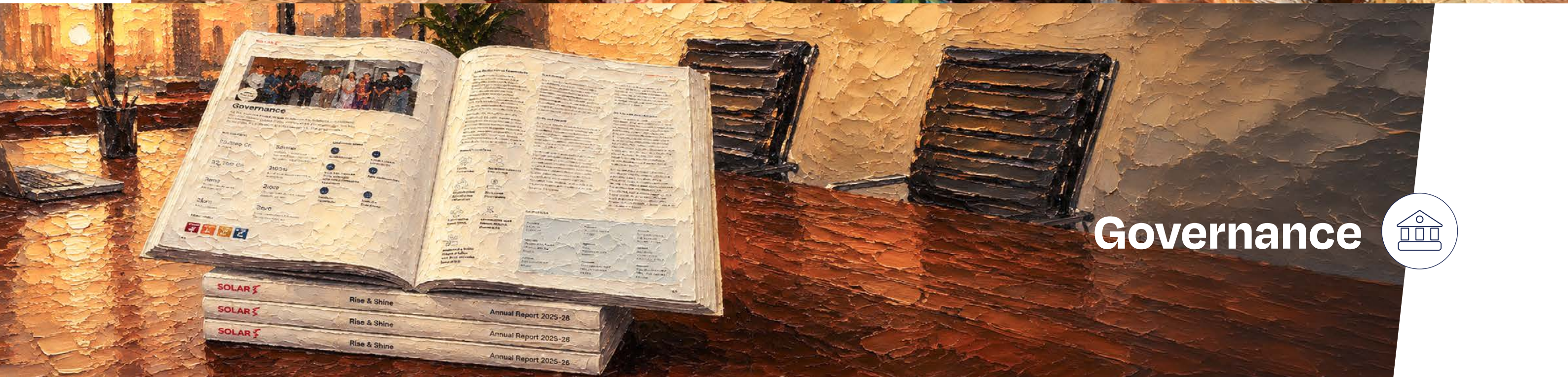




Environment



Social



Governance



Solar's Path to Sustainable Growth

Rising Responsibly. Shining Sustainably.

Solar Group's ESG legacy and journey reflects our evolution as a responsible and future-ready organisation in the industrial and military explosives sector. Over the years, our ESG disclosures have progressed from Business Responsibility Reports to comprehensive ESG, Sustainability and Integrated Reports, a journey towards transparency, ethical governance and sustainable value creation. Our sustainability journey includes focused initiatives such as renewable energy adoption, Zero Liquid Discharge practices, water and energy intensity reduction, product safety, employee health and safety, community development and alignment with recognised environmental and safety standards.

FY 2018-19

Business Responsibility framework aligned with social, environmental, and economic responsibilities

FY 2019-20

- Business Responsibility Report integrated sustainability into core business
- Covered responsibilities to society and environment
- CSR thrust areas: health, education, environmental sustainability, and rural development

FY 2020-21

- ESG focus areas formally highlighted: environmental impacts, clean energy, waste, water, product stewardship, health & safety, diversity, supply chain, communities, code of conduct, and risk management
- Disclosed 10,206 KL water recycled and 77,479 safety-training man-hours

FY 2021-22

- 29% reduction in total energy intensity
- 27% reduction in total emission intensity
- Zero Liquid Discharge at key sites
- 33% reduction in water intensity
- Zero employee/worker fatalities

FY 2022-23

- ESG initiatives aligned with ISO 14001 and ISO 45001
- Continued 'Zero Harm' workplace-safety focus
- Sustainable value creation

FY 2023-24

- Zero Liquid Discharge across key manufacturing sites
- 56% increase in solar-energy utilisation
- Life-cycle assessments for key products
- CSR spend focused on healthcare, education, and rural development

FY 2024-25

- 20% renewable-energy share
- Zero Liquid Discharge across primary manufacturing sites
- Introduction of eco-friendly green detonators and non-detonating explosives

FY 2025-26

- Achieved ISO 27001 certification
- 16% renewable energy share (G) in total energy mix
- 5.12 MW installed solar plant capacity

The ESG Focus



Our Vision

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



Cornerstones of our ESG Strategy

Key pillars driving sustainable value creation



Innovating Sustainable Operations

- › Climate Resilience
- › Water Management
- › Waste Management
- › Biodiversity



Reinforcing Safety & Well-being

- › Product Safety and Ethics
- › Employee Health and Safety



Enhancing Employee Growth

- › Human Capital Development
- › Human Rights
- › Diversity and Inclusion



Sustaining Long-Term Relationships

- › Value Chain Sustainability
- › Community Development
- › Stakeholder Relationship Management

Our ESG Strategy

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

INNOVATING SUSTAINABLE OPERATIONS

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

ENHANCING EMPLOYEE GROWTH

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

CREATING SUSTAINABLE
VALUE FOR A BETTER
TOMORROW

REINFORCING SAFETY AND WELL-BEING

Emphasizing the health and safety of our workforce by maintaining rigorous safety standards while also striving continuously to enhance the safety and reliability of our products.

SUSTAINING LONG-TERM RELATIONSHIPS

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

Materiality Assessment

Materiality assessment serves as the foundation for shaping Solar Group's sustainability strategy by identifying the issues that are most significant to our business performance and stakeholder interests. In the previous financial year FY 2024-25, Solar Group undertook a detailed materiality assessment to determine and prioritize the key environmental, social, and governance matters relevant to operations.

The assessment was informed by inputs from a broad range of stakeholders, sector-specific insights, and prevailing as well as emerging sustainability trends. The process also considered applicable industry benchmarks and standards to ensure a robust and balanced evaluation. This approach enables Solar Group to focus its strategic efforts on areas that create meaningful impact for the business, stakeholders, and the communities in which we operate.



Environment

Material Topics

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

Impacted Capital

-  Natural Capital
-  Social and Relationship Capital
-  Intellectual Capital

Mapped SDGs



Social

Material Topics

- › Occupational Health and Safety and Employee health & safety
- › Skill development
- › Human Rights
- › Diversity, Equity and Inclusion (DEI)
- › Human Resource Engagement and Development
- › Community Relations

Impacted Capital

-  Manufactured Capital
-  Human Capital
-  Social and Relationship Capital

Mapped SDGs



Governance

Material Topics

- › Cybersecurity
- › Product Safety and Security
- › Business Resilience, Ethical Business Conduct and Regulatory Compliance
- › R&D and Innovation
- › Customer Satisfaction
- › Economic Performance
- › Critical Incident Risk Management

Impacted Capital

-  Financial Capital
-  Intellectual Capital
-  Manufactured Capital
-  Social and Relationship Capital

Mapped SDGs





Environment Stewardship

Guided by our belief in “Caring for Generations to Come,” sustainability remains deeply embedded within Solar Group’s long-term vision and operational philosophy. As we continue to expand our capabilities in support of evolving national and global priorities, we remain equally committed to creating enduring value for all stakeholders through responsible and sustainable growth.

Key Highlights

Key manufacturing sites are

ISO 14001

Our Sites are

'Zero Liquid Discharge'

compliant

16%

Renewable energy share (GJ) in total energy mix

5.12 MW

Installed Solar Plant capacity

SDG Linkage



Our Focus Areas



Climate Change, Energy and Emissions



Environmental Risk and Compliance and Critical Incident Risk Management



Supply Chain Management and Material Sourcing



Waste & Hazardous Materials Management



Water Conservation and Management

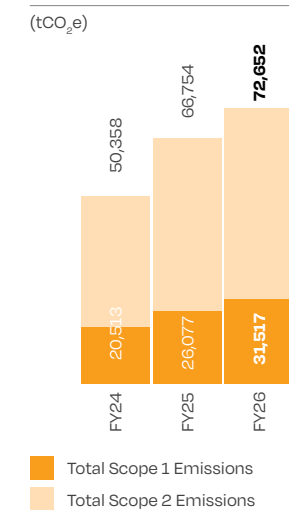


Biodiversity

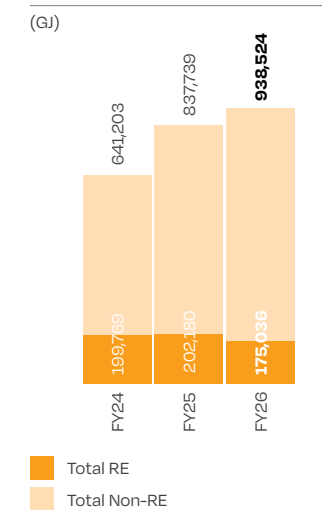
Climate Change, Energy and Emissions

At Solar Group, sustainability lies at the heart of everything, shaping the way we respond to climate change and create lasting value for those we serve. Throughout FY 2025–26, we have intensified our efforts to lower greenhouse gas emissions. Yearlong energy efficiency and process optimisation initiatives were undertaken at the plant level. At the same time, we broadened our energy portfolio to include cleaner alternatives such as solar power and briquettes, complementing traditional sources like electricity, diesel, and coal. This sustainability-first mindset runs through the entire spectrum of our business activities spanning ethical procurement, progressive manufacturing technologies, and thoughtful product lifecycle management.

Carbon Emissions



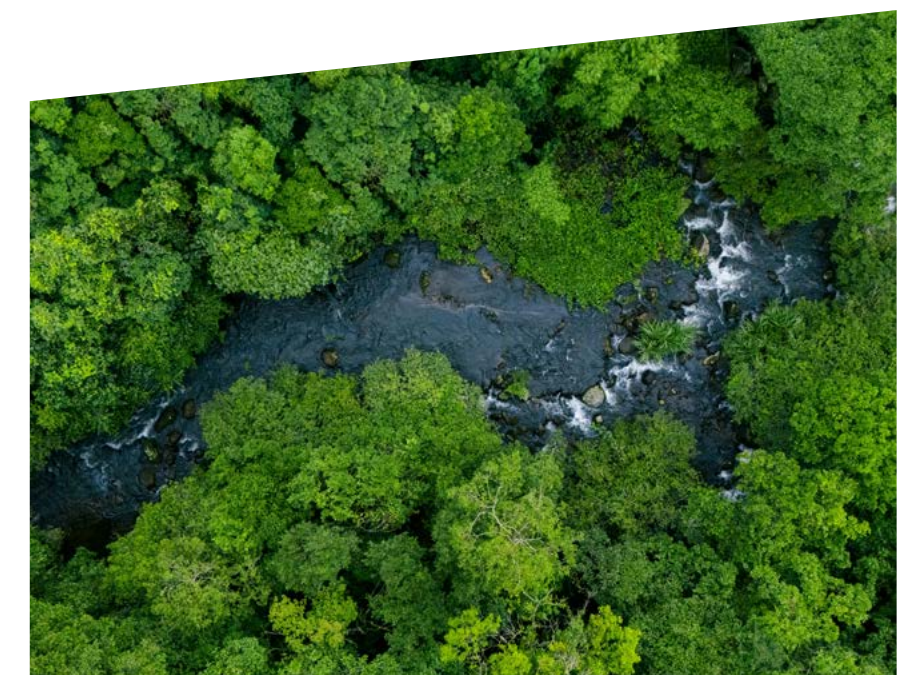
Total Energy Consumption



Note – During FY 2025–26, the aggregate energy consumption and carbon footprint registered an increase when compared against FY 2024–25, primarily driven by higher production throughput and a revised product portfolio that demanded greater energy intensity.

Air Emissions

Controlling air emissions from our manufacturing operations remains a top priority at Solar Group. We pursue this through layered mitigation strategies and full regulatory adherence. We have added portable analysers to strengthen workplace monitoring and enable frequent assessment of emission parameters across operations. Apart from this, our Online Continuous Emission Monitoring Systems (OCEMS) operate round-the-clock to ensure flue gas discharge stays well within permissible norms, and we supplement this with periodic third-party audits that independently verify the effectiveness of our emission control mechanisms during FY 2025–26.



Our First Step Towards Scope 3 Transparency



17,405

Category 3
Fuel and Energy related activities



78

Category 5
Waste generated in Operations



17,483 tco₂e

Total Emissions

Climate Strategy and Decarbonization

Our climate strategy is built around a decarbonisation-led roadmap that reflects our accountability as a responsible corporate citizen. Key performance indicators are tracked continuously to drive progress against our sustainability commitments. Our focus areas for FY 2025–26 include:



Emission Reduction Actions

Emissions across the value chain are being curbed through smarter transport logistics, improved combustion efficiency, and ongoing exploration of alternative raw materials.



Energy Efficiency Improvements

Deployment of next-generation technology and best-in-class operating practices continues to bring down energy usage and associated GHG emissions.



Shift Towards Cleaner Energy

Increased uptake of renewable energy and eco-friendly fuels is steadily lowering our carbon intensity across operations.

Our Key Environmental Initiatives:

Other Initiatives

- ▶ **Adoption of Brushless Direct Current (BLDC) Fans:** Replacement of conventional ceiling fans with energy efficient BLDC fans across offices and buildings resulted in annual energy savings of approximately 9,072 kWh.
- ▶ **Air-Operated Double Diaphragm (AODD) Pump Installation for Crystallizers:** Replacement of conventional hot water centrifugal pumps with an energy efficient AODD pump improved process safety while delivering annual energy savings of approximately 5,940 kWh.

Diesel Generator (DG) Synchronisation Project

Synchronisation of DG sets was initiated to create a closed-loop power system, enabling automatic backup, on-demand load supply (thereby reducing diesel consumption), maintenance flexibility, and enhanced reliability.



Water Stewardship

We recognise that water is fundamental to both ecosystems and surrounding communities, which is why responsible water management continues to be a non-negotiable priority at Solar Group. We have deployed advanced technologies to substantially lower freshwater intake, while our modern effluent treatment infrastructure has facilitated large-scale recycling and reuse. Also, throughout the year we conduct water optimization initiatives at plant level yielding collective savings of approx. 17,900 kL in FY 2025–26.

Water withdrawal

(KL)



Note - During FY 2025–26, the water withdrawal registered an increase when compared against FY 2024–25, primarily driven by higher production throughput and a revised product portfolio that demanded greater water intensity.

Water Circularity

Our water management philosophy is anchored in strict adherence to discharge quality norms, ensuring complete compliance with prevailing environmental regulations.

The treated effluent generated by our advanced water handling systems meets demanding quality benchmarks, making it suitable for internal reuse and recycling. This has helped us maintain Zero Liquid Discharge (ZLD) status at our principal manufacturing units through an integrated combination of Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs), and Multi-Effect Evaporators (MEEs).

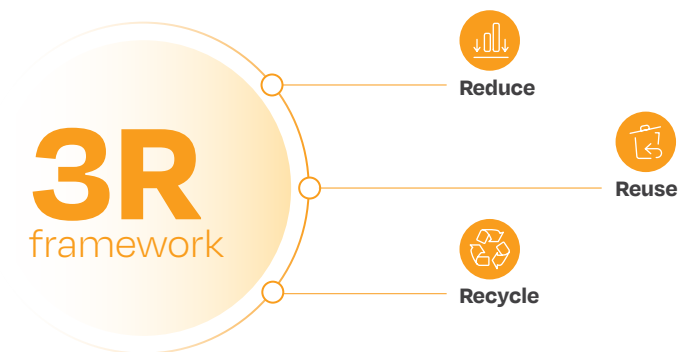
Water Initiatives

- ▶ **Plant effluent Decolorization via Activated Carbon Filtration:** Two reactors were temporarily repurposed for water decolorization using activated charcoal filtration, delivering annual savings of around **9,000 kL**.
- ▶ **Filter Wash Reutilization:** Recycling filter wash water cut water consumption from 0.160 kL to 0.080 kL per two batches, saving approximately 165 kL monthly (**1,320 kL annually**) across two plants.
- ▶ **Condensate Recovery from Drying Heat Exchangers:** A dedicated condensate collection system was installed to capture 14.4 KLD of condensate for reuse as boiler feed water, saving **3,224 kL annually**.
- ▶ **Crystallization Water Reuse via RO:** By routing 17.5 kLD of crystallization water through a new RO system, 369.5 kL per month (nearly **2,583 kL annually**) is recycled from ETP.
- ▶ **MEEP Condensate for Distillation Cooling Tower:** 40 KLD of softened MEEP condensate is now used in place of borewell water in cooling tower, saving around **960 kL annually**.
- ▶ **MEEP Condensate Recirculation to Cooling Towers:** Condensate from the 200 kLD MEE plant is collected in a 75 kL storage tank and routed via HDPE pipelines as make-up water, saving about **500 kL annually**.



Waste Conservation and Management

Responsible handling of waste continues to be a priority for Solar Group in FY 2025–26. Every waste stream is tracked and managed in strict compliance with environmental standards, and our systems are designed around the **3R framework—Reduce, Reuse, and Recycle**. This approach promotes circular operations and ensures ongoing alignment with Pollution Control Board regulations.



Responsible Waste Management Framework

We adopt a structured approach to manage waste responsibly across our operations, ensuring environmental protection and regulatory compliance.

01

WASTE PREVENTION THROUGH CIRCULARITY

We focus on circularity measures to prevent waste generation and resource depletion, thereby avoiding waste accumulation.

02

RESPONSIBLE DISPOSAL THROUGH AUTHORIZED RECYCLERS

All waste, including hazardous waste, e-waste, and battery waste, is managed in line with strict regulatory requirements. We ensure disposal only through authorized recyclers with safe storage, handling and disposal practices.

03

SAFE HANDLING & TRANSPORT

Waste is securely stored, properly labeled and handled by trained personnel to ensure safe transportation to authorized facilities.

04

DATA MANAGEMENT & TRACKING

We employ robust processes to collect and monitor waste-related data. All data is maintained in SAP, ensuring accurate tracking and compliance.

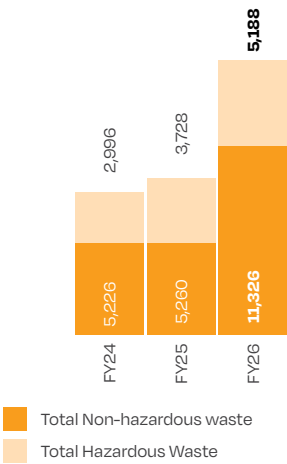
05

COMPLIANCE & CONTINUOUS IMPROVEMENT

Regular internal waste management audits are conducted to ensure adherence to environmental regulations and to drive continuous improvement in our waste management practices.

Waste Generation

(MT)



Waste To Wealth Initiative:

At the plant level, the Waste to Wealth initiative is practiced throughout the year, focusing on maximizing resource recovery, re-utilization of by products, responsible waste management and promoting circularity across operations.



Note - The total waste generation has increased due to a rise in overall production capacity compared to FY 2024-25.

Environmental Risk and Compliance

Solar Group remained fully compliant with all applicable environmental laws during FY 2025-26, covering the domains of emissions, wastewater handling, waste disposal, and resource efficiency. Sustainability is woven into our operational DNA, reinforcing our pledge to responsible manufacturing alongside regulatory discipline.

Enterprise-wide risk management is overseen by the Board and its designated Risk Management Committee, supported by structured management reporting protocols and an annual risk assessment cycle.

Biodiversity

Our principal manufacturing units are in biodiversity rich landscapes, and we operate them under the requisite authorisation from the Ministry of Environment, Forest and Climate Change (MoEF&CC). During FY 2025-26, we further strengthened our commitment to conserving native ecosystems through extensive plantation drives undertaken across our manufacturing locations, including development of greenbelts, avenue plantations, restoration of open spaces, and

continuous upkeep of native vegetation within and around plant premises. These initiatives were complemented by broader biodiversity focused efforts aimed at habitat restoration, afforestation, and wildlife protection to enhance ecological resilience around our operational areas. All our activities remain in full accordance with the Wildlife Protection Act, 1972, and are carried out exclusively in areas free of any endangered flora or fauna.



Supply Chain Management and Material Sourcing

Solar Group follows structured responsible sourcing protocols underpinned by our Supplier Code of Conduct, which encourages sustainability and ethical business practices across our vendor ecosystem well beyond the boundaries of our own plants. Sustainability credentials remain a decisive factor in the selection and evaluation of our key suppliers. Throughout FY 2025-26, regular supplier engagement meetings were held to deepen collaboration, build mutual trust, and foster responsible business conduct across the entire supply chain.

SUPPLIER CODE OF CONDUCT
Upholding ethics, integrity and sustainability across our supply chain.

DEDICATED SUPPLIER PORTAL

Enabling transparency, streamlined onboarding and continuous engagement.



SUPPLIER ASSESSMENT & EVALUATION

Evaluating performance, driving improvement and recognizing responsible partners.



Social

Our workforce is central to Solar Group's continued progress and success. We remain committed to providing a safe and supportive work environment, enabling employees to develop their capabilities, and cultivating a workplace culture rooted in inclusion, participation, and mutual respect. Through focused engagement initiatives, we aim to strengthen collaboration, build a shared sense of belonging, and reinforce alignment with our organizational purpose. This people-centric approach guides the way we operate and extends to our efforts in creating positive and meaningful impact within the communities we serve.

Key Highlights

ISO 45001

Key manufacturing sites are certified

100%

Workforce received full coverage on Health & Accident Insurance

1,57,904

Total training hours completed

100%

Female employees returned from Maternity leave

SDG Linkage



Our Focus Areas



Occupational Health and Safety (OHS) and Employee Health and Safety



Skill Development



Human Rights



Diversity, Equity and Inclusion (DEI)



Human Resource Engagement and Development



Community Relations

Occupational Health and Safety (OHS) and Employee Health and Safety

At Solar Group, safety is a core operational value embedded across every stage of our manufacturing processes. Operating in a high hazard industry, we are committed to achieving a **Zero Harm** workplace through a combination of proactive risk prevention, behavioural safety interventions, technology enabled controls, robust governance mechanisms and continuous learning from incidents and near misses.

Our safety management framework integrates behavioural, technical and operational safety elements to strengthen workplace safety, improve risk visibility and foster a culture where every employee actively contributes to preventing incidents.



Recognition for Safety & Operational Excellence

- ▶ **5S JUSE Certification and 5S QCFC Certification** awarded recognising sustained world-class workplace discipline, process efficiency, and operational standards.
- ▶ **NCQC 2025 Excellence Award** received by teams for outstanding case study presentations, reinforcing a culture of quality improvement and innovation.
- ▶ **Safety Training Programs** - A 3-day group-level program (30 participants) and a 5-day blended program (38 participants) combining theory with hands-on practice in high-risk operating environments.

Risk Identification and Prevention

We employ multiple risk assessment methodologies to identify and mitigate workplace hazards across operations:

- ▶ **Hazard Identification and Risk Assessment (HIRA)**
- ▶ **Job Safety Analysis (JSA)**
- ▶ **Hazard and Operability Studies (HAZOP)**
- ▶ **Process Hazard Analysis (PHA)**
- ▶ **Workplace inspections and safety observations**

These assessments support the development of targeted mitigation measures and engineering controls, enabling the reduction of high-risk activities and strengthening operational resilience.

Proactive Safety Management

Our safety philosophy prioritises prevention over correction. Through systematic hazard identification, behavioural interventions, mechanisation and technology adoption, we proactively identify and eliminate risks before incidents occur.

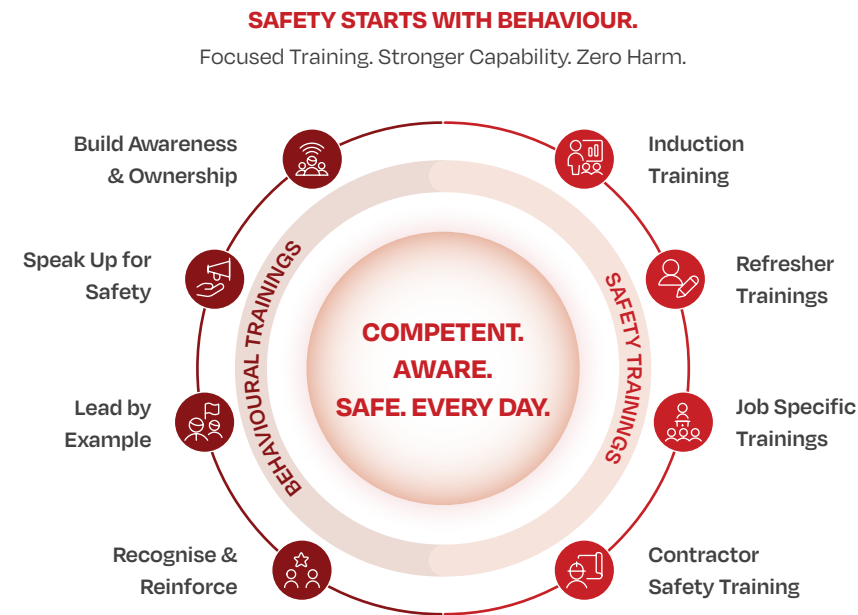
Behavioural Safety Programme

Recognising that safe behaviour is fundamental to incident prevention, we have strengthened our behavioural safety initiatives through focused capability development.

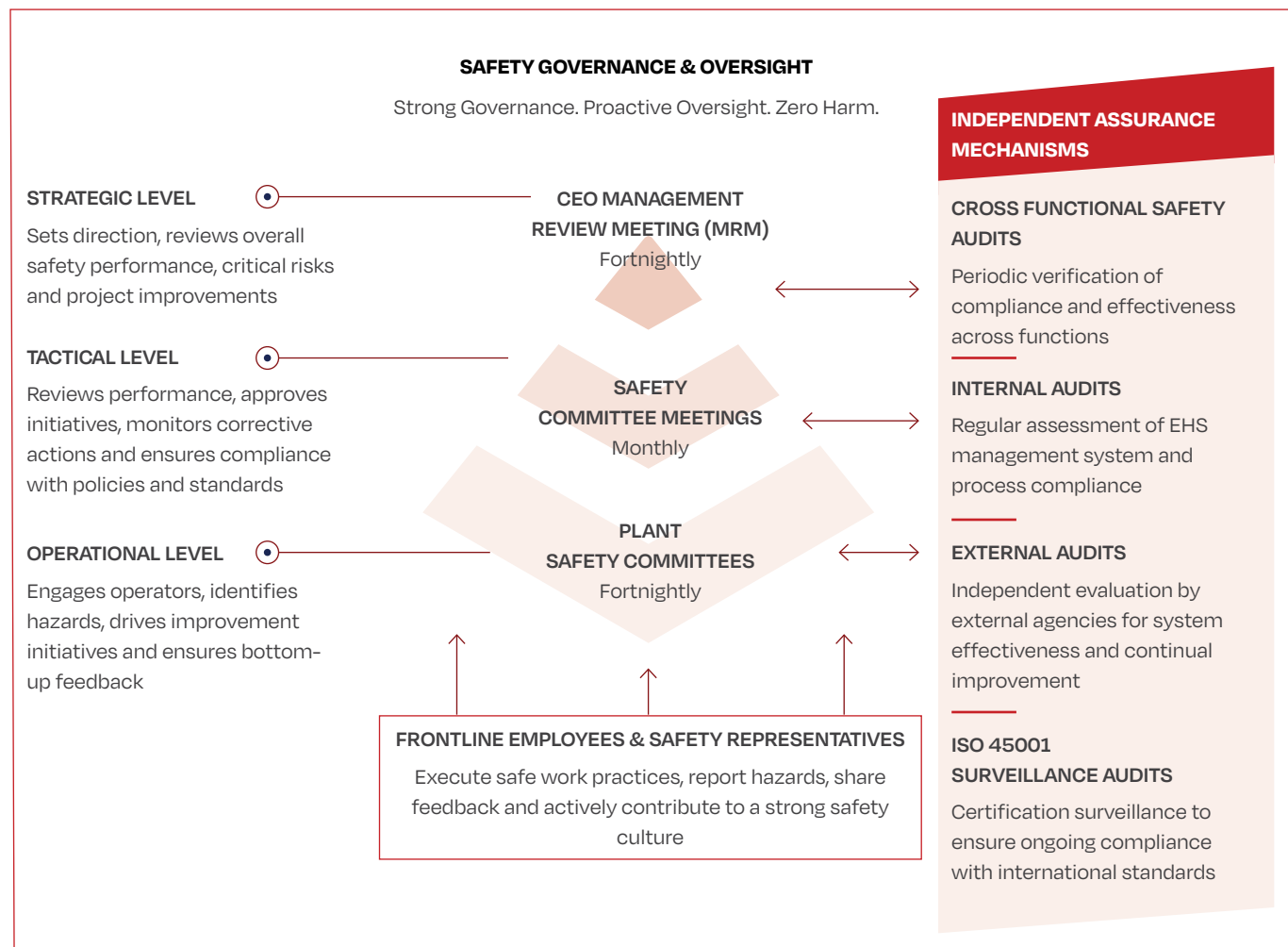
Our safety competency framework emphasises:

- ▶ Dedicated trainings on behavioural safety and awareness
- ▶ Dedicated trainings on operational safety practices

The programme promotes hazard recognition, safe decision making, leadership accountability and peer-to-peer safety engagement across all levels of the organisation.



Safety Culture and Employee Engagement



This safety governance framework demonstrates a structured, three-tier approach to managing workplace safety through clear accountability, regular oversight, and independent assurance. At the strategic level, the CEO Management Review Meeting (MRM), conducted fortnightly, provides leadership direction by reviewing safety performance, critical risks, and improvement initiatives.

At the tactical level, monthly Safety Committee Meetings monitor safety performance, approve corrective actions, and ensure compliance with policies and standards. At the operational level, Plant Safety Committees meet fortnightly to engage frontline employees, identify hazards, drive continuous improvements, and facilitate bottom-up feedback.

Employee participation remains central to our safety approach. Plant level sub safety committees conduct fortnightly engagements with operators and frontline employees to identify workplace concerns, gather improvement suggestions and strengthen ownership of safety initiatives.



Rewards and recognitions related to safety in FY 2025-26

213

To maintain high standards of health and safety, we undertake regular cross functional safety audits, internal audits, and independent external audits to assess compliance, identify improvement opportunities, and strengthen risk management practices. Routine emergency preparedness and response drills are also conducted across sites to test readiness, enhance employee awareness, and reinforce adherence to established safety standards and protocols.

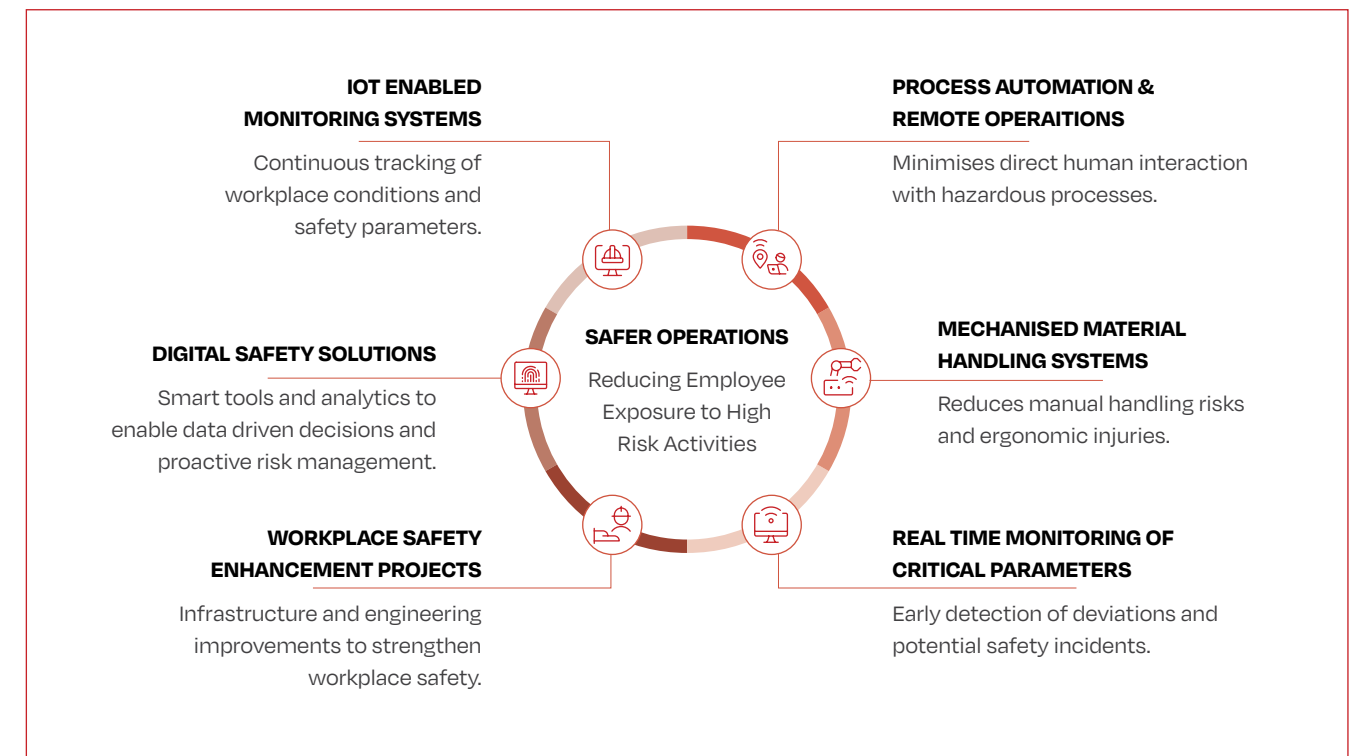
Technology, Automation and Mechanisation

To reduce employee exposure to hazardous conditions, we continue to invest in automation, mechanisation and digital safety solutions.

Key focus areas include:

- ▶ IoT-enabled monitoring systems
- ▶ Process automation and remote operations
- ▶ Mechanised material handling systems
- ▶ Workplace safety enhancement projects
- ▶ Real time monitoring of critical parameters

These initiatives support safer operations by reducing manual intervention in high-risk activities.



Human Resource Engagement and Development

At Solar Group, we believe that our people are the foundation of sustainable business growth and operational excellence. Our human capital strategy focuses on building future ready capabilities, strengthening employee engagement, nurturing leadership talent, and fostering an inclusive workplace culture. Our approach is anchored around five key pillars:

- ▶ Learning and Capability Development
- ▶ Employee Engagement and Wellbeing
- ▶ Talent Development and Career Growth
- ▶ Diversity, Equity and Inclusion
- ▶ Employee Recognition and Appreciation

OUR CORE PILLARS

People. Potential. Performance.



LEARNING & CAPABILITY DEVELOPMENT

Building future-ready skills through blended and experiential learning.



TALENT DEVELOPMENT & CAREER GROWTH

Enabling growth through career pathways, coaching and continuous development.



EMPLOYEE RECOGNITION & APPRECIATION

Celebrating contributions and achievements to inspire and motivate our people.



DIVERSITY, EQUITY & INCLUSION

Creating an inclusive workplace where every individual can thrive and belong.



EMPLOYEE ENGAGEMENT & WELLBEING

Nurturing well-being and engagement across mind, body and finances.



Employee Engagement and Wellbeing

Employee wellbeing remains central to our people strategy. Through the **Happiness Quotient framework**, we promote employee wellbeing across physical, mental, emotional, and financial dimensions. Key initiatives include access to healthcare support, wellness assessments, employee assistance programmes, counselling services, and awareness sessions delivered through specialised partners. Regular celebrations, team engagement activities, and annual employee engagement surveys help strengthen workplace connections and provide valuable feedback to continuously enhance employee experience.

HAPPINESS QUOTIENT



PHYSICAL

Promoting fitness, healthy habits and overall vitality



MENTAL

Supporting focus, clarity and stress resilience

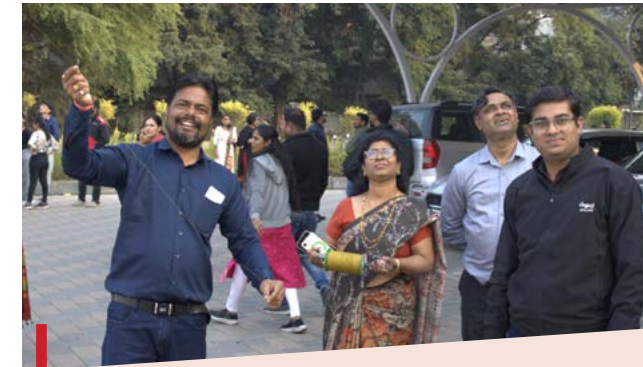


FINANCIAL

Enabling financial stability, security and peace of mind

Programs under the "Happiness Quotient" framework

- ▶ **Self-Defense Awareness Session** for women employees on International Women's Day (50+ participants).
- ▶ **ESIC Awareness Training** (December 2025, 106 participants) bridging information gaps on social security benefits.
- ▶ **Ergonomics & Posture – Physical Wellbeing Initiative** at the SDAL Training Hall, including expert-led counselling sessions.
- ▶ **Behaviour-Based Training for Operators** (February 2026), reinforcing the "Zero Defects" culture.
- ▶ **New Year 2026 Celebration, Makar Sankranti, Holi celebrations, Solar Premier League Cricket Tournament, and Annual Sports League** as initiatives strengthening camaraderie and the "Solar family" spirit.



Makar Sankranti



Ganpati Celebrations



Diwali Celebrations



Womens Day



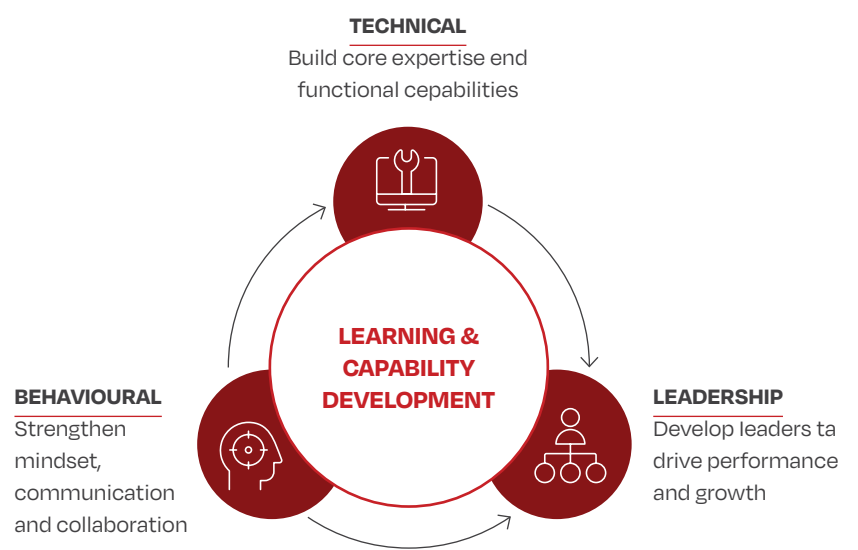
Solar Premier League



New Year Celebrations

Skill Development

Our Learning and Capability Development framework is built around three core pillars: Technical, Behavioural, and Leadership Development, ensuring employees are equipped with the skills required to succeed in a dynamic business environment. Training programmes are carefully designed and customised across organisational levels to align with business priorities and future capability requirements. Our training strategies emphasize more on project based learning and real-world application. Our training approach focuses on sustained capability building and continuous development, fostering long-term behavioural change and professional growth rather than one time training interventions.



Talent Development and Career Growth

We are committed to creating meaningful career pathways for employees through structured talent development initiatives. The Fly High programme supports the identification and development of high potential employees across managerial levels, enabling both vertical and horizontal career progression opportunities. Our talent development approach is anchored in a comprehensive assessment framework that includes technical and behavioural evaluations, complemented by third party psychometric assessments to identify strengths, development areas, and future leadership potential.

To support continuous learning and career growth, we collaborate with leading academic institutions like IIT/IIM and encourage employees to pursue higher education programmes that enhance their professional capabilities. Leadership capability is further strengthened through targeted mentoring, executive coaching, and personalised development interventions. Senior leaders also benefit from one-to-one coaching programmes delivered through specialised external partners, helping them enhance leadership effectiveness, navigate complex business challenges, and prepare for future responsibilities. Together, these initiatives foster a strong leadership pipeline and build future ready talent across the organisation.

Employee Recognition and Appreciation

Recognising employee contributions is an integral part of our culture. Through initiatives such as the Shabash Recognition Programme, employees are celebrated across multiple performance and achievement categories throughout the year. In addition, Long Service Awards recognise employee loyalty and commitment through milestone-based appreciation, helping strengthen employee engagement and reinforce a culture of recognition and belonging.

Technical Capability Development

- **Chemical Training Programs** – Basic and Advanced modules covering unit operations, process control, and material science; trained participants with the support of live project assignments.
- **Technical Training Programs** – Mechanical, Electrical, Instrumentation, and Maintenance domains delivered across sites, structured by experience levels (Basic, Intermediate, Advanced).
- **Utkarsh Abhiyan (Workers Training Program)** – Behavioural and operational interventions led by Industrial Psychologists, reaching 2,600+ participants across sites.
- **Gurukul Srujan** – Train the Trainer Program – Strengthening internal facilitation capability through applied theatre and experiential learning.

Behavioural & Leadership Development
Learning Programs by Audience and Focus

Program	Target Audience	Focus
दक्षता (Dakshata) – Operational Excellence	 Frontline / Executive	Discipline, process adherence, problem-solving
सफल (Safal) – Supervisor Development	 Supervisors	People management, communication, delegation
उन्नति (Unnati) – Execution Excellence	 Middle Management	Decision-making, stakeholder management, accountability
परिवर्तन (Parivartan)– Strategic Excellence	 Senior Leadership	Strategic thinking, change leadership, transformation



Diversity, Equity and Inclusion

We continue to strengthen workforce diversity by attracting talent from varied educational, professional, and demographic backgrounds. Focused initiatives support the recruitment and development of women professionals, provide enhanced maternity support, flexible work arrangements where feasible, and workplace facilities that promote inclusion and safety. We remain committed to increasing diverse representation across both corporate and operational functions while fostering an equitable and inclusive work environment.



Human Rights

At the heart of our organizational philosophy lies a steadfast commitment to cultivating an inclusive, respectful, and equitable workplace. We uphold a strict zero-tolerance policy against any form of human rights violation, reinforced by full adherence to the legal and regulatory frameworks governing our operations. Employee welfare remains a strategic priority, supported through structured human rights training initiatives and the consistent application of fair and equitable compensation practices.

Our comprehensive Human Rights Policy serves as the foundation of this framework, grounded in the values of dignity, respect, and accountability. To ensure its effective execution, we have established a transparent grievance redressal mechanism complemented by periodic assessments that enable timely corrective action wherever required.

We are pleased to report that no human rights complaints were registered during FY 2025-26, reflecting the maturity of our governance systems and the strength of our workplace culture.

Our labor practices strictly prohibit child labor, forced labor, and human trafficking in every form, while guaranteeing equal opportunity, safe working conditions, and a harassment-free environment for all. We remain committed to negotiating fair and balanced wage agreements and to maintaining constructive engagement with trade unions. Such collaboration enables meaningful dialogue on workforce welfare and productivity, while safeguarding the fundamental rights to freedom of association and collective bargaining.



Community Relations

At Solar Group, we believe that lasting relationships with our neighboring communities are built on trust, dialogue, and shared progress. Throughout the year, we engage with local stakeholders through both formal and informal interactions, creating open platforms to listen to their aspirations, address their concerns, and channel their feedback into impactful CSR programs.



Annual Blood Donation Camp

Our annual blood donation drive once again brought the Solar family together in service of a profoundly important cause of saving lives. Employees and workers across the organization participated wholeheartedly, demonstrating compassion, unity, and a collective resolve to make a tangible difference in the lives of those in need. The initiative continues to stand as a powerful reminder that small, collective acts of kindness can create an extraordinary impact on society.

Leadership Legacy: Inspiring Generations

- ▶ Padma Shri Felicitation of Chairman Shri Satyanarayanji Nuwal - Celebrated at the Head Office with traditional rituals and floral honours, reflecting collective pride and the deep respect of all Solarians.
- ▶ Recognition at Advantage Vidarbha 2026 - The Chairman was honoured by the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis, in the presence of Union Minister Shri Nitin Gadkari, for outstanding contributions to the defence sector and indigenous manufacturing.
- ▶ Inauguration of the Medium Calibre Ammunition Manufacturing Facility, Nagpur - by the Hon'ble Raksha Mantri, Shri Rajnath Singh.
- ▶ Bhoomi Puja of the AI-powered Robotics & UAV Manufacturing Facility at MIHAN, Nagpur - A foundational step toward deep-tech manufacturing under the visionary leadership of Chairman Shri Satyanarayan Nuwal and MD & CEO Shri Manish Nuwal.
- ▶ First Private Company to Dispatch Pinaka Enhanced Mk-I Rockets to the Indian Army - Reinforcing the Atmanirbhar Bharat mission.



Governance

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

Key Highlights

₹9,838 Cr.

Revenues

Seven

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

₹2,750 Cr.

EBITDA

100%

Employees trained on Code of Conduct.

Zero

Instances on Sexual Harassment.

Zero

Employee complaints under Vigil Mechanism.

Zero

Trust Network

Zero

Cases of Insider Trading and Corruption reported.

SDG Linkage



Our Focus Areas



Cyber Security



Product Safety and Security



Business Resilience, Ethical Business Conduct and Regulatory Compliance



R&D and Innovation



Customer Satisfaction



Economic Performance

Our Governance Framework

Our organisation is steered by an independent, diverse, and highly experienced Board that provides robust oversight across management performance, operational effectiveness, and enterprise-wide risks and opportunities. Our Governance Framework empowers the Board to discharge its fiduciary responsibilities with diligence, while safeguarding stakeholder interests and enabling sustainable, long-term value creation.

Anchored in the core principles of fairness, accountability, transparency, and timely disclosure, our governance philosophy is integrated into the way we operate. It is reflected across our policies, decision-making processes, leadership conduct, and organisational culture, ensuring responsible stewardship, ethical business practices, and resilient growth.

Committees

By drawing on the specialised expertise and strategic guidance of our Board-level committees, we strengthen our ability to navigate evolving business dynamics, respond with agility, and pursue sustainable growth. Their focused oversight and informed counsel enable disciplined decision-making, enhance organisational resilience, and support long-term value creation.

Code of Conduct

At Solar Group, we are firmly committed to upholding the highest standards of integrity, ethics, and corporate governance. Our governance approach is anchored in full compliance with applicable laws and regulations, enabling us to safeguard stakeholder interests and reinforce long-term trust in our business.

Our governance framework is built on strong leadership oversight, robust internal controls, comprehensive risk management practices, and well-defined policies that guide decision-making across the organisation. Reflecting our zero-tolerance approach toward unethical conduct, we conduct structured and recurring training programs to ensure every employee fully understands and adheres to our Code of Conduct.

We continue to strengthen and evolve our governance practices in alignment with leading ESG standards, ensuring that our operations remain responsible, ethical, and consistent with global expectations of sustainable business conduct.

Our Compliance System

As a company operating in the explosives manufacturing sector, Solar Group strictly adheres to the regulatory standards and operational guidelines prescribed by the Petroleum and Explosives Safety Organisation (PESO) and the Directorate General of Mines Safety (DGMS). We also remain fully compliant with the regulations and disclosure requirements set forth by the Securities and Exchange Board of India (SEBI), reinforcing our commitment to strong corporate governance, financial integrity, and transparent communication with investors and stakeholders.

In line with our overarching mission, we have developed a comprehensive sustainability policy framework that guides the advancement of our Environmental, Social, and Governance (ESG) initiatives. This structured framework ensures continuity, adaptability, and disciplined execution across our operations, enabling us to pursue sustainable growth while consistently creating long-term value for all our stakeholders.

Board Committees



Audit Committee



Risk Management Committee



Stakeholders' Relationship Committee



Executive Committee



Investment Committee



Nomination and Remuneration Committee



Corporate Social Responsibility and Sustainability Committee

Our Policies

Code of Conduct

Human Rights Policy

Environmental, Health, and Safety Policy

Corporate Social Responsibility Policy

Risk Management Policy

Diversity, Equity, and Inclusion Policy

Whistleblower Policy

Nomination and Remuneration Policy

Anti-Bribery and Anti-Corruption Policy

Critical Incident Risk Management

Risk management is an essential element of sound corporate governance and effective strategic decision-making. The Board, both in its collective capacity and through its established committees, maintains ultimate oversight responsibility for the organization's risk management framework.

This oversight is supported by structured management reporting processes, including an annual enterprise-wide risk assessment. These mechanisms are intended to provide the Board and its committees with clear visibility into the identification, assessment, prioritization, and management of material risks, together with the controls and mitigation measures implemented to address them.

Although the Board retains overall accountability for risk oversight across the Solar Group, it assigns certain risk-related responsibilities to its committees based on their respective mandates and areas of expertise. Where appropriate, these committees escalate key matters to the Board, enabling informed discussion, comprehensive review, and effective decision-making on critical risk issues.

Cyber Security

At Solar Group, safeguarding information assets, business systems, embedded technology systems and critical data remains both an operational and strategic priority. As new technologies

reshape the business landscape through enhanced connectivity, digitization and automation, we continuously strengthen our cybersecurity framework across People, Process, and Technology.

Our commitment to excellence in processes and employee empowerment has earned us ISO/IEC 27001 certification, reflecting adherence to internationally recognised information security management standards and bolstering cyber resilience. Anchored in strong governance, robust policies, employee awareness and advanced technology controls, our cybersecurity strategy ensures secure management of information assets while supporting business growth and operational continuity.

Cybersecurity Framework

Our cybersecurity program is built on strong governance, clear policies, ongoing employee awareness initiatives and advanced security technologies. These elements collectively enable secure management of information assets, proactive risk mitigation, regulatory compliance, and robust cyber resilience, while supporting sustainable business growth, operational excellence, and continuity across the organisation.



People

Building a strong cybersecurity culture remains a key priority. During FY 2026, we strengthened employee awareness through regular cybersecurity training, awareness campaigns and refresher sessions focused on secure digital practices and emerging cyber threats. Quarterly phishing simulation exercises were also conducted to enhance preparedness against social engineering attacks, reinforcing responsible cyber behaviour and shared accountability for protecting organisational information and digital assets.



Process

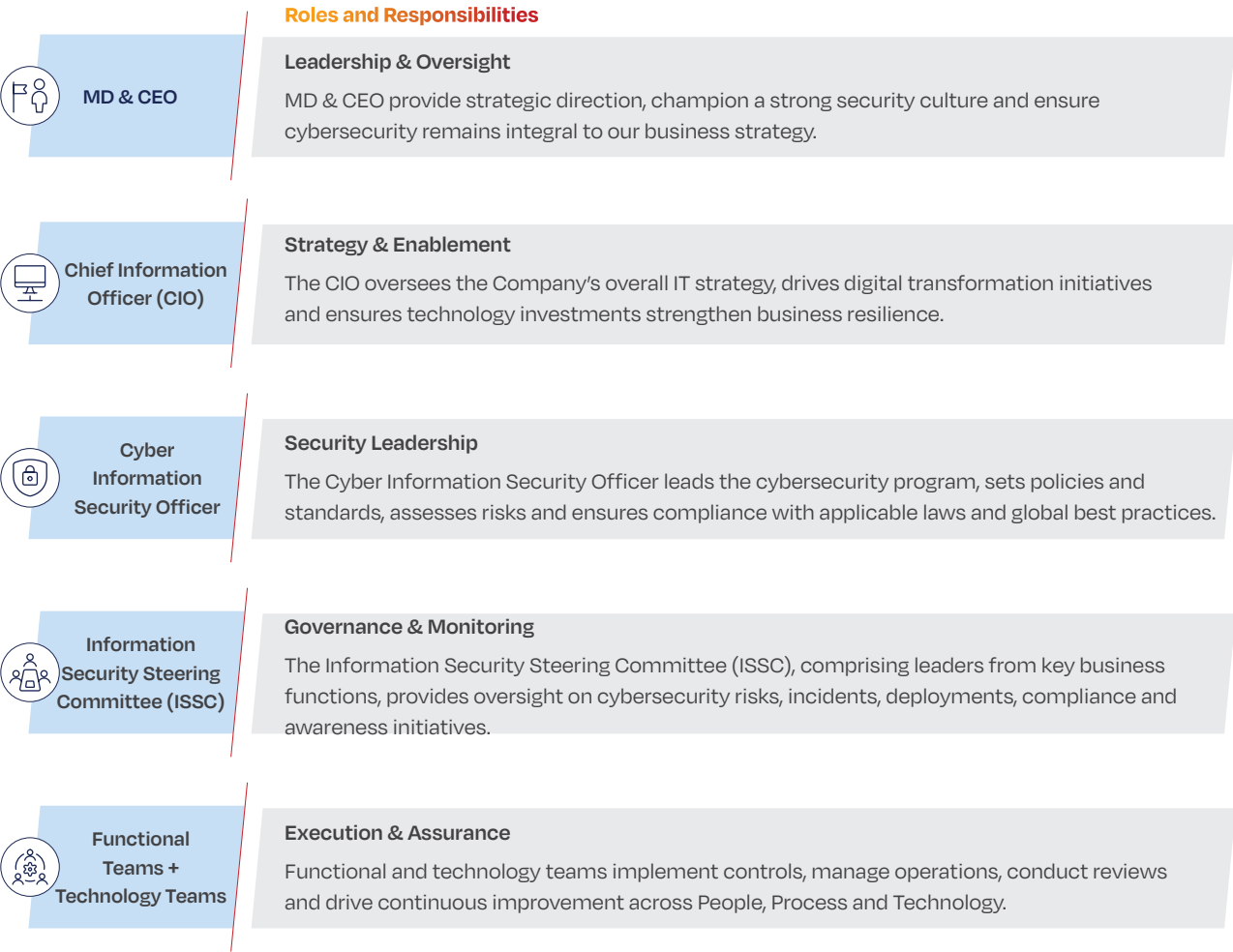
We strengthened information security governance during FY 2026 through the establishment of the Information Security Steering Committee (ISSC), comprising senior leaders from key business functions. The committee oversees cybersecurity risks, incidents, compliance requirements and security initiatives while driving organisation wide accountability. As part of our ISO/IEC 27001 certification journey, policies and procedures were reviewed and aligned with international standards, supported by monthly governance reviews, internal audits and successful completion of Stage 1 and Stage 2 external audits to ensure effective implementation and continuous improvement of information security controls.



Technology

We continue to strengthen our cybersecurity posture through the deployment of advanced security technologies to detect, prevent and respond to evolving cyber threats. During FY 2026, we enhanced data protection through the implementation of SECLORE based Information Rights Management (IRM) and data classification capabilities, enabling secure handling and controlled sharing of sensitive information. Our cybersecurity framework is further supported by an AI enabled Security Operations Centre (SOC), Endpoint Detection and Response (EDR) solutions for continuous threat monitoring, and Zero Trust Network principles that strengthen access management and protection of critical systems and information assets.

Our IT Governance Structure



Economic Performance

Solar Group is India's largest and among the world's leading commercial and defense explosives manufacturers. Our financial performance this year demonstrates robust growth in revenue, EBITDA as well as Net Profit compared to last year.

30%

Revenue growth (YOY)

35%

EBITDA growth (YOY)

35%

Net profit growth (YOY)

Research & Development (R&D) and Innovation

Innovation and technology development remain central to Solar Group's long term growth strategy. We continue to invest in advanced research and development to strengthen our technological capabilities and expand beyond our traditional leadership in commercial explosives for mining and infrastructure applications. Our R&D efforts are focused on developing next generation energetic materials, advanced propellant technologies, precision strike solutions, and high performance defence systems that address evolving operational and national security requirements.

As part of our commitment to nation building and supporting India's defence self reliance agenda, we have significantly expanded our indigenous defence technology capabilities. Through sustained investments in innovation, testing, and product development, Solar Group has established capabilities across advanced rocket and missile systems including the Pinaka Enhanced and Pinaka Guided Extended Range programmes, loitering munitions such as the Nagastra series, advanced energetic materials including SEBEX 2 and SEBEX 3, composite and multi base propellant technologies, counter drone systems, and autonomous defence platforms. These efforts reinforce our position as a technology driven defence manufacturer and a key contributor to strengthening India's strategic capabilities, defence preparedness, and vision of Atmanirbhar Bharat.

Product Safety and Security

Product safety, quality, and reliability remain central to our business philosophy and are key contributors to our success in international markets. Our reputation has been built on consistently maintaining high safety standards, delivering dependable solutions, and placing customer confidence at the forefront of our operations.

We are committed to ensuring the integrity of our products and services throughout their lifecycle. This commitment is supported by a comprehensive quality assurance framework aligned with applicable national and international standards. Through disciplined processes, stringent controls, and continuous monitoring, we ensure that our products meet required safety, performance, and reliability expectations.

To uphold these standards, we provide structured training across our value chain, enabling employees and relevant stakeholders to maintain strong product knowledge, technical competence, and awareness of safety requirements. This helps ensure that customers receive the level of quality and professionalism associated with the Solar Group brand.

Our safety assurance approach is further strengthened by rigorous testing protocols that comply with regulatory requirements and internal quality benchmarks. These procedures are designed to identify, assess, and address potential risks before products reach customers. By vmaintaining robust testing, validation, and compliance practices, we reinforce our commitment to delivering safe, reliable, and high-quality product solutions, while ensuring adherence to health and safety requirements.

Customer Satisfaction

Customer satisfaction is a core priority, and we are focused on delivering products and services that create long-term value for our clients. Our approach is founded on safety, reliability, quality, and responsive engagement.

We maintain active communication with customers through multiple channels, including client visits, technical seminars, product discussions, and safety workshops. These interactions enable us to better

understand customer requirements, address technical expectations, and provide timely, effective support. Our customer base includes multinational corporations, leading domestic and international enterprises, and government and defense organizations across key markets.

As part of our continuous improvement process, we regularly seek, review, and analyze customer feedback. This feedback helps us identify opportunities to enhance product performance, service delivery, and overall customer experience.

Our customer relationship management system provides a structured platform for clients to raise concerns, track their status, and receive timely updates on resolutions. We place strong emphasis on addressing customer issues efficiently and effectively. Reflecting this commitment, the organization has achieved a 100% complaint resolution rate over the past two years, demonstrating our focus on accountability, responsiveness, and sustained customer trust.

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal Chairman and Non-Executive Director	Shri Manish Nuwal Managing Director and CEO	Shri Suresh Menon Executive Director
Shri Milind Deshmukh Executive Director	Shri Viswanathan Lakshmanan Non-Executive Independent Director	Smt. Girija Balakrishnan Non-Executive Independent Director
Shri Ramesh Bhujang Non-Executive Independent Director	Smt. Reena Jha Tripathi Non-Executive Independent Director (Appointed on the Board w.e.f. May 15, 2026)	

Joint Chief Financial Officer

Shri Moneesh Agrawal
Smt. Shalinee Mandhana

Company Secretary & Compliance Officer

Smt. Khushboo Pasari

Corporate Identification Number

L74999MH1995PLC085878

Registered Office

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

Statutory Auditors

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

Jointly with

M/s. Gandhi Rathi & Co.
Plot No. 20, 602, Vignesh Square,
Opposite Dinanath School, Dhantoli,
Nagpur-44012

Bankers

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

Debenture Trustee

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

Registrar and Transfer Agent

M/s MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)

C-101, 247 Park
LBS Marg, Vikhroli (West)
Mumbai – 400083, India
Tel No. – 022-49186000
E-mail: rnt.helpdesk@in.mpms.mufg.com

Grievance Redressal Division

investor.relations@solargroup.com

Audit Committee

Shri Ramesh Bhujang Chairman	Shri Manish Nuwal Member	Smt. Girija Balakrishnan Member	Shri Viswanathan Lakshmanan Member
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Stakeholders Relationship Committee

Shri Viswanathan Lakshmanan Chairman	Shri Manish Nuwal Member	Shri Suresh Menon Member
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Nomination and Remuneration Committee

Shri Ramesh Bhujang Chairman	Shri Viswanathan Lakshmanan Member	Smt. Girija Balakrishnan Member
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Corporate Social Responsibility and Sustainability Committee

Shri Satyanarayan Nuwal Chairman	Shri Manish Nuwal Member	Smt. Girija Balakrishnan Member
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Risk Management Committee

Shri Manish Nuwal Chairman	Shri Suresh Menon Member	Shri Milind Deshmukh Member	Smt. Girija Balakrishnan Member
Shri Ramesh Bhujang Member	Smt. Reena Jha Tripathi Member (Appointed on the Board w.e.f. May 15, 2026)	Shri Moneesh Agrawal Member	Smt. Shalinee Mandhana Member
Shri Ashish Khole Member	Shri Paresh Patel Member	Shri Avinash Gupta Member & Chief Risk Officer (Appointed w.e.f. May 15, 2026)	

Executive Committee

Shri Manish Nuwal Chairman	Shri Milind Deshmukh Member	Shri Suresh Menon Member
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Investment Committee

Shri Manish Nuwal Chairman	Shri Milind Deshmukh Member	Shri Suresh Menon Member
Smt. Shalinee Mandhana Member	Smt. Khushboo Pasari Member	

Board of Directors



Shri Satyanarayan Nandlal Nuwal
Chairman and Non-Executive Director



Shri Manish Satyanarayan Nuwal
Managing Director and CEO



Shri Suresh Menon
Executive Director



Shri Milind Deshmukh
Executive Director



Shri Viswanathan Lakshmanan
Non- Executive Independent Director



Smt. Girija Balakrishnan
Non- Executive Independent Director



Shri Ramesh Bhujang
Non- Executive Independent Director



Smt. Reena Jha Tripathi
Non- Executive Independent Director (Appointed on the Board w.e.f May 15, 2026)

Management Discussion and Analysis



Economic Overview

Global Economy¹

Despite last year's sharp rise in trade tensions and policy uncertainty, the global economy proved more resilient than anticipated. In CY 2025, it achieved steady GDP growth of 3.4%, supported by front-loaded trade activity, supply chain adjustments, strong AI-led investments and easing financial conditions following U.S. monetary policy relaxation.

Advanced economies expanded by 1.9%, with the U.S. growing 2.1% due to strong market confidence despite a softening job market. Europe recorded growth of 1.4%, navigating continued trade-related headwinds. Emerging and developing economies led with 4.4% growth, driven by China's 5.0% rise from fiscal stimulus and resilient exports, though low-income economies continued to lag.

Policy responsiveness and ongoing technological advancement continued to support global economic stability. However, the global economy remains vulnerable to renewed trade disruptions and geopolitical disruptions. Escalating tensions in West Asia have introduced additional uncertainty into the global macroeconomic environment. Global growth has held steady, but the international landscape remains vulnerable to geopolitical risks. Heightened tensions in West Asia, such as disruptions at the Strait of Hormuz are constraining vital energy supply routes. This has triggered volatility in oil markets, driving up fuel costs and creating ripple effects across logistics and industrial production worldwide. In response, several countries have intensified diplomatic engagement while also diversifying energy sources and crude import channels to mitigate supply risks.

¹<https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>

Zambia²

Zambia's economy has demonstrated notable resilience despite external and domestic shocks, supported by the IMF's Extended Credit Facility (ECF) programme. The Real GDP grew by 5.2% in CY 2025, driven by robust mining output and record maize production. Fiscal consolidation, progress in debt restructuring, with five bilateral creditor agreements signed and strengthened revenue mobilisation have also helped reduce macroeconomic imbalances.

Growth is forecasted to rise to 5.8% in CY 2026, supported by improved electricity generation, continued momentum in the mining sector and services sector gains. Inflation is expected to ease gradually towards the central bank's 6-8% target by CY 2027. Public debt is assessed as sustainable, although the risk of debt distress remains high, underscoring the need for sustained fiscal discipline, private sector investments, governance reforms and diversification efforts to support inclusive and resilient expansion.

Nigeria³

Nigeria's economy performed well in CY 2025, by growing at 3.89%, up from 3.38% in CY 2024, supported by improved performance across both oil and non-oil sectors. Inflation eased to an average of 21.26%, aided by tight monetary policy and a more stable exchange rate. The banking sector remained broadly sound, while external reserves rose to about USD 45.01 billion, supporting a balance of payments surplus.

In CY 2026, growth is expected to strengthen further to 4.49%, driven by reforms, easing monetary conditions, higher oil output and improved domestic refining capacity. Inflation is projected to decline sharply to around 12.94%, while reserves are forecast to rise to about USD 51.04 billion. However, risks remain from potential inflation spikes, disruptions in oil production, global financial volatility and banking-sector pressures, underscoring the importance of continued fiscal discipline and financial sector oversight.

South Africa⁴

South Africa's economy expanded by 1.1% in CY 2025, up from 0.5% in CY 2024, supported by a recovery in agriculture and stronger activity across the finance, real estate, business services, and trade sectors. Growth was primarily driven by household spending, while inflation eased to 3.2% from 4.4%, enabling the central bank to reduce its policy rate to 6.75% by November 2025. The financial sector remained resilient, with improved capital adequacy and lower non-performing loans, although the current account deficit widened marginally as export growth moderated.

Growth is projected to improve modestly to 1.2% in CY 2026 and 1.6% in CY 2027, supported by improved energy supply, robust mining activity and continued structural reforms across the energy, logistics, water and governance sectors. However, the outlook remains constrained by infrastructure bottlenecks, electricity and water supply challenges, freight rail and port inefficiencies, fiscal

²<https://www.imf.org/en/news/articles/2026/01/27/pr-26024-zambia-imf-executive-board-completes-sixth-review-under-the-extended-credit-facility>

³https://www.cbn.gov.ng/Out/2025/CCD/CBN%20Macroeconomic%20Outlook%20for%20Nigeria%20Report_28_122025_DG.pdf

⁴<https://www.afdb.org/en/countries/southern-africa/south-africa/south-africa-economic-outlook>

⁵https://www.oecd.org/en/publications/2025/12/oecd-economic-outlook-volume-2025-issue-2_413f7d0a/full-report/australia_45a32f9b.html

⁶<https://www.afdb.org/en/countries/west-africa/ghana/ghana-economic-outlook>

⁷<https://www.tanzaniainvest.com/economy/gdp-growth-inflation-2025>

pressures and geopolitical uncertainties, alongside external risks from trade tensions and climate-related disruptions.

Australia⁵

Australia's economy is in a recovery phase, with growth shifting from government-led support to more private-sector-driven momentum as household incomes improve and interest rates ease. GDP grew by around 1.8% in CY 2025, supported mainly by stronger household consumption, low and stable inflation within the 2-3% target band and a still-resilient labour market. However, business investment and export volumes remained relatively subdued amid global trade tensions.

Growth is projected to strengthen to around 2.3% in both CY 2026 and CY 2027, supported by lower interest rates, rising disposable incomes and improving consumer and business spending. Policy settings are expected to remain balanced, with limited further rate cuts and modest fiscal tightening. Structural reforms in taxation, regulation, housing supply and the net-zero transition will remain critical to lifting medium-term growth and managing risks from a softer labour market and weaker external demand.

Ghana⁶

Ghana's economy maintained strong momentum in CY 2025, with GDP growth improving to 5.8% from 5.6% in CY 2024, supported by robust performance in the services sector and resilient private consumption. Macroeconomic conditions strengthened during the year, with inflation declining to 14.6% from 22.9%, enabling the central bank to reduce its policy rate to 18%. Fiscal consolidation progressed steadily, narrowing the fiscal deficit to 2.4% of GDP, while public debt declined to 45.5% of GDP. The external position also improved, with the current account surplus widening to 4.4% of GDP, supported by strong exports and remittance inflows.

Growth is projected at 5.0% in CY 2026 and 5.4% in CY 2027, supported by prudent macroeconomic management, improving business confidence and continued strength in services and domestic consumption. Inflation is expected to decline to single digits, while fiscal discipline and debt restructuring are anticipated to keep the fiscal deficit within target and sustain a current account surplus. However, the outlook remains exposed to external risks, including geopolitical tensions and global economic uncertainties, highlighting the need for continued fiscal prudence, stronger domestic resource mobilisation and accelerated economic diversification.

Tanzania⁷

Mainland Tanzania's economy grew by 5.9% in CY 2025, up from 5.5% in CY 2024, supported by strong performance across agriculture, mining, construction and financial services. Zanzibar recorded even faster growth of around 6.8%, while credit to the private sector rose by just over 20%, reflecting support for businesses and investment activity.

In CY 2026, growth is expected to remain robust, with Mainland Tanzania projected to grow by around 6.0–6.1% and Zanzibar by about 7.2%. Inflation remained low and stable within the 3–5% target range in CY 2025 and is expected to stay within this band in early CY 2026, supported by favourable harvests, adequate food stocks, a steady energy supply, moderate global oil prices and a stable exchange rate.

Indonesia⁸

In CY 2025, Indonesia's GDP grew by 4.95%, supported by resilient domestic demand. Manufacturing output strengthened to 5.68%, while household consumption grew by 4.97%, with consumption accounting for 52.9% of GDP. Investment remained robust, reaching IDR 491.4 trillion in Q3, alongside a USD 9.67 billion trade surplus and inflation being maintained at 2.65%.

For CY 2026, growth is expected to remain stable at around 4.9%–5.0%, underpinned more by domestic demand, manufacturing momentum and sustained investment than by exports. Overall, the outlook remains broadly positive. If Indonesia continues to maintain low inflation, attract high-quality investment and manage global risks effectively, it should be able to sustain growth near 5%, although achieving a significantly faster growth trajectory may remain challenging.

Turkey⁹

Turkey's economy grew by 3.6% in CY 2025, supported primarily by resilient domestic demand despite a challenging macroeconomic environment. Private consumption remained the largest contributor to growth, while the broad services sector was the principal driver on the production side. Construction and industry also contributed positively, although external demand weighed on overall economic activity amid subdued global trade conditions. The economy reached USD 1.59 trillion in size, with per capita income increasing to USD 18,040 in 2025. Growth is forecast to strengthen to 4.0% in CY 2026, supported by the carry-over effect from 2025, resilient domestic demand and a calibrated policy mix aimed at sustaining moderate growth while supporting disinflation. However, the outlook remains subject to downside risks from geopolitical tensions in the Middle East, global tariff uncertainties and potential increases in energy prices, which could adversely affect trade, the current account balance, inflation and overall economic activity. Continued fiscal and monetary policy measures are expected to help preserve financial stability and mitigate these external headwinds.

Zimbabwe¹⁰

Zimbabwe's economy rebounded strongly in CY 2025, with real GDP growth accelerating to 7.6% from 1.7% in CY 2024, driven by

a sharp recovery in agriculture following favourable rainfall and supported by continued growth in mining and manufacturing. Economic activity was underpinned by higher consumption and investment, while sustained monetary tightening, prudent fiscal management and improved liquidity conditions helped stabilise the exchange rate and reduce annual inflation to 89% from 736% in the previous year. The fiscal deficit narrowed to 0.5% of GDP, supported by stronger tax revenues, while the current account surplus widened to 4.1% of GDP, reflecting resilient mineral exports, remittance inflows and lower imports.

Growth is projected to moderate to 4.3% in CY 2026 and 4.5% in CY 2027 as agricultural output normalises and tighter policy settings take effect. Continued economic reforms, favourable weather conditions and rising exports are expected to support activity, while inflation is forecast to ease further to 14.7% in CY 2026. However, the outlook remains subject to risks from global economic uncertainty, commodity price volatility, geopolitical tensions, unresolved external debt arrears and tight financing conditions, highlighting the importance of strengthening macroeconomic stability and improving access to long-term development finance.

Kazakhstan¹¹

Kazakhstan's economy is projected to grow by 4.9% in CY 2025, supported by higher oil production following the launch of the Future Growth Expansion Project at Tengiz. The increase in oil output is expected to strengthen merchandise exports and narrow the current account deficit, while tight monetary policy and a stable exchange rate are projected to moderate inflation to 8.2%. The economy continues to benefit from steady growth, although fiscal consolidation and public financial management reforms remain important to reduce reliance on the National Fund and enhance resilience to external shocks.

Growth is forecast to moderate to 4.1% in CY 2026 as higher taxes and moderated fiscal spending take effect under the government's fiscal consolidation measures. Inflation is expected to ease further to 6.5%, while the fiscal deficit is projected to narrow to 1.7% of GDP. However, the outlook remains exposed to downside risks from global economic uncertainties and potential disruptions to oil export routes, underscoring the importance of structural reforms, stronger fiscal governance and continued private sector development to sustain long-term economic growth.

Outlook¹²

Due to potential escalations in trade tensions and a deterioration in financial sentiment the Global growth is expected to moderate at 3.1% in CY 2026 then slightly improving to 3.2% in CY 2027. Over the longer term, this reflects the impact of easing inventory cycles, trade-related pressures and softer consumption trends across major economies.

Inflation is expected to be volatile with Global headline inflation is projected to rise to 4.4% in CY 2026 before easing to 3.7% in CY 2027, with upward adjustments made to forecasts for both years.¹³ The uptick is due to the evolving geopolitical developments, that could particularly impact energy markets, resulting in temporary cost pressures and supply-side disruptions. Overall, while the growth trajectory remains stable in the long run, the global environment warrants a measured approach in the near term, with a continued focus on resilience and adaptability.

While accommodative monetary and fiscal policies across many economies may help cushion risks, the global outlook remains exposed to escalating trade tensions, geopolitical disruptions and tighter financial conditions. At the same time, productivity gains from AI adoption and more resilient supply chains offer upside potential. However, strengthening global trade cooperation and accelerating structural reforms in emerging markets will be critical to sustaining employment creation and supporting long-term economic resilience.

Indian Economy¹⁴

India has reinforced its position as one of the world's fastest-growing major economies, with real GDP expand by 7.7% in FY 2025-26, up from 7.1% in FY 2024-25. This momentum is being driven by resilient rural consumption, strong agricultural and industrial output supported by Production Linked Incentive (PLI) schemes and sustained strength in services alongside continued public infrastructure spending.

The latest CPI release of 3.40%¹⁵, based on the revised 2024 base year, indicates controlled headline inflation, strengthening real purchasing power and supporting a broader recovery across both urban and rural demand. At the same time, India has deepened its integration into global value chains through the recent India-US and India-EU trade negotiations, which are expected to support exports, technology transfer and long-term investment flows. India has responded to geopolitical developments in the Middle East by diversifying its crude oil sources and strengthening alternative supply channels, thereby enhancing overall energy security.

Outlook

Looking ahead, India is expected to remain the fastest-growing large economy with Real GDP growth for FY 2026-27 is expected at 6.6%¹⁶, underpinned by strong government capital expenditure and a robust pickup in private consumption. Real Private Final Consumption Expenditure alone is projected to grow by around 7.0% in FY 2025-26.

Continued structural reforms, including further GST rationalisation, new and upgraded free trade agreements and measures to improve the business climate, are likely to accelerate India's growth trajectory in the years ahead. With inflation on the revised base continuing to trend downward and remaining manageable, the Reserve Bank of India has room to maintain a supportive monetary stance, helping sustain investment and credit growth even amid global tariff pressures and geopolitical uncertainties.

Industry Overview

Global Industrial Explosives Industry¹⁷

The global industrial explosives market comprises specialised products used primarily in mining, quarrying and construction for controlled blasting operations. As per the Persistence Market Research report, the sector continues to witness steady growth, supported by ongoing infrastructure development and sustained resource extraction needs.

The market was valued at USD 14.0 billion in CY 2025 where bulk explosives remain the dominant category, accounting for 75.6% of the overall market, driven by their operational effectiveness and relatively lower-emission footprint, particularly across mining and infrastructure projects.

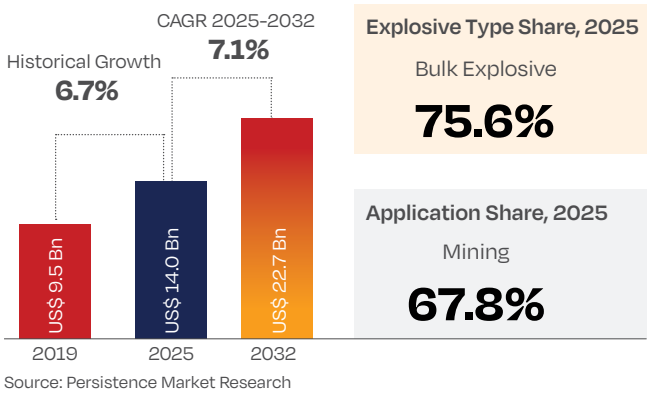
The market is broadly segmented by explosive type, including high explosives, blasting agents, initiating systems and by application areas such as open-pit mining, underground operations and construction projects. Growth is further supported by continued technological advancements, including improved safety standards and precise detonation systems, alongside rising global demand for metals and minerals.

Outlook

The industrial explosives market is projected to expand to USD 22.7 billion by CY 2032, registering a compound annual growth rate (CAGR) of 7.1% from CY 2025 onwards. This growth outlook reflects increasing investments in mining activities and accelerated urbanisation, particularly across the Asia-Pacific region.

The market is also benefitting from ongoing innovation in environmentally compliant explosives, driven by tightening regulatory norms and a greater emphasis on sustainability. While factors such as supply chain disruptions and stringent safety regulations may pose challenges, sustained demand from the energy and construction sectors is expected to support long-term growth momentum.

Global Industrial Explosives Market



⁸<https://www.cekindo.com/blog/indonesia-economic-outlook-trends>

¹²<https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>

⁹https://www.bbvaresearch.com/wp-content/uploads/2026/03/Activity_Pulse_4q25.pdf

¹⁰<https://www.afdb.org/en/countries/southern-africa/zimbabwe/zimbabwe-economic-outlook>

¹¹<https://www.adb.org/news/adb-projects-kazakhstan-economic-growth-remain-steady-2025>

¹³<https://www.imf.org/-/media/files/publications/weo/2026/april/english/execsum.pdf>

¹⁴<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269286®=48&lang=2>

¹⁵<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2251519®=3&lang=2>

¹⁶https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62974

¹⁷<https://www.persistencemarketresearch.com/market-research/industrial-explosives-market.asp>

India's Industrial Explosives Industry

The Indian industrial explosives industry continues to serve as a critical enabler of the nation's core industrial development. The sector is undergoing rapid modernisation, supported by evolving regulatory frameworks and a strategic pivot towards indigenous defence manufacturing. India remains one of the most attractive markets within the Asia-Pacific region and is expected to grow at a CAGR of 9.0%¹⁸, driven by sustained demand from mining and infrastructure expansion. The mining sector accounts for a substantial share of consumption, supported by rising coal and mineral targets, while large-scale infrastructure projects further strengthen demand.

The industry landscape is characterised by a shift towards advanced bulk emulsion systems and the adoption of digital blasting technologies. This transition is further supported by the introduction of the Explosives Regulation Bill, 2025, which replaces century-old legislation with a modern legal framework focused on national security, digital licensing and standardised safety protocols across the supply chain.

Key Trends in the Indian Explosives Industry

- **Finalisation of the Electronic Transition¹⁹:** A major regulatory transition was completed in July 2025, with the prohibition on the manufacture and possession of traditional electric detonators. This has resulted in an industry-wide shift towards Electronic Detonation Systems (EDS), which provide superior precision, reduced ground vibration and enhanced safeguards against unauthorised use.
- **Strategic Entry into Defence:** Supported by the Aatmanirbhar Bharat initiative, the industry has entered high-margin defence production. Manufacturers are playing a key role in domestic supply chains for high-energy materials used in warheads, rockets, missiles and space applications, thereby reducing reliance on imports.
- **Regulatory Modernisation:** The Explosives (Amendment) Rules, 2025, effective May 1, 2025, have streamlined compliance requirements by extending license validity and record-keeping periods from five to ten years. This development is expected to improve long-term accountability while reducing administrative burdens for compliant operators.
- **Sustainability and Environmental Standards:** The industry is witnessing a growing focus on sustainability, with increasing adoption of 'Green Blasting' solutions. These include low-emission formulations and nitrate-free alternatives aimed at reducing the environmental impact of large-scale mining operations.

Outlook

The outlook for the Indian explosives industry remains optimistic, with demand expected to scale-up and a continued push for self-sufficiency in energy and minerals. Enhanced safety norms mandating QR code and GPS track vehicals are expected to improve traceability, transparency and security across the logistic chain. While volatility in key raw material prices, particularly ammonium nitrate, remains a risk, the sector's expansion into specialised civil engineering applications and defence exports is expected to provide a resilient growth buffer. Going forward, technological innovation and automation will remain central to improving efficiency and strengthening India's competitiveness in the global market.

Mining and Quarrying Industry

Coal²⁰

The Coal production in FY 2025-26 was quite muted and could achieve 1036 million tonnes (MT) due to Lower production in Coal India and Singareni Collieries on account of heavy monsoons and prolonged rain fall. However, captive, commercial and other coal mines have emerged as a key growth driver within India's coal sector, with production and dispatch crossing the 200 million tonnes (MT) milestone for the first time in FY 2025-26. As on 31 March 2026, coal production from captive and commercial mines stood at 210.46 MT, registering a year-on-year growth of 10.22% over 190.95 MT in the previous fiscal. Dispatches also increased to 204.61 MT, reflecting a growth of 7.35% year-on-year.²¹

This growth has been supported by capacity additions and faster operationalisation of assets, with 12 coal blocks becoming operational during the year and 7 additional blocks commencing production, significantly expanding the sector's production base.

Coal imports in FY 2025-26 stood at approximately 247.53 million tonnes (MT), reflecting a marginal increase of 1.6% YoY, despite a 9% YoY decline in March 2026 imports to 20.82 MMT, indicating late-year moderation in import volumes driven by improved domestic availability.^{22,23}

The sustained increase in production and dispatch highlights improving operational efficiency, stronger logistics and evacuation infrastructure and a structural shift towards higher contribution from captive and commercial mining. This trend is expected to play a critical role in augmenting domestic coal availability and supporting India's rising energy demand.

Growth Drivers

- Increased investments in mining capacity and allied infrastructure supported coal production growth beyond the 1 billion tonne milestone.
- Enhanced rail connectivity, mechanisation and inventory management reduced bottlenecks and improved supply reliability.
- Initiatives such as commercial coal mining, revised linkage frameworks and platforms like CoalSETU increased market efficiency and broadened access.
- Greater mechanisation and digital monitoring improved productivity, operational efficiency and safety.
- Continued efforts to reduce dependence on imports strengthened domestic coal utilisation and supported foreign exchange savings.
- Land reclamation, afforestation and energy efficiency initiatives supported responsible mining practices.

Outlook

India's coal demand is expected to remain strong, with estimates indicating consumption could reach around 1.5 billion tonnes by FY 2029-30. The Ministry of Coal projection of demand for FY 2029-30 is 1665.03 million tonnes (MT). With further auction of Coal blocks, the private and Captive coal mines production is bound to grow substantially, and coal will continue to play a critical role in meeting baseload power requirements, even as renewable energy capacity expands.

Going forward, continued focus on increasing domestic production, improving logistics and reducing imports is expected to further strengthen the sector's contribution to national energy security. Simultaneously, efficiency improvements and sustainability initiatives will remain important as the industry balances growth with environmental considerations.

Steel²⁴

As per recent updates from the Ministry of Steel, India's steel sector continues to demonstrate strong growth momentum. India remains the world's second-largest crude steel producer, with production and consumption trends strengthening in FY 2025-26. During this period crude steel production increased by about 10.7% year-on-year to around 168.4 million tonnes and with that the finished steel exports rose by 35.9% to over 6 million tonnes, while imports fell sharply by 31.7%, reflecting sustained domestic demand driven by infrastructure, construction and manufacturing activity with rising export strength. The sector remains a key contributor to industrial growth and employment generation.

Growth Drivers

- Large-scale investments in roads, railways, metro networks, housing and smart city development continue to drive structural steel demand.
- Growth in automobiles, capital goods, engineering and defence manufacturing is supporting higher consumption of value-added steel.
- Government initiatives such as the PLI scheme for specialty steel and domestic procurement preference policies are strengthening the competitiveness of domestic producers.
- Ongoing brownfield and greenfield expansions, along with modernisation initiatives, are improving productivity and quality.
- Improved positioning in global markets is supporting export opportunities and diversification beyond domestic demand.

Outlook

The outlook for the Indian steel industry remains positive, supported by sustained infrastructure spending and continued momentum in manufacturing activity. Domestic demand is expected to remain strong over the medium term, while policy support and capacity expansion are likely to further strengthen India's global standing. Emphasis on value-added steel, operational efficiency and sustainability initiatives will be key priorities going forward.

Minerals²⁵

India's minerals industry continued to demonstrate strong performance in FY 2025-26, supported by record production levels achieved in recent years. Iron ore production reached around 312 million metric tonnes (MMT)²⁶, remaining the largest contributor and accounting for nearly 70% of the total mineral production value. Production of other key minerals also remained healthy, with manganese ore at about 3.85 MMT and bauxite at around 25.96 MMT.

In the non-ferrous segment, primary aluminium output reached about 42 lakh tonnes, while refined copper production increased to nearly 5.7 lakh tonnes, reflecting steady demand from steel, power, construction and manufacturing sectors. Overall, the sector demonstrated stable growth momentum, supported by industrial expansion and infrastructure development.

¹⁸<https://www.cognitivemarketresearch.com/regional-analysis/asia-pacific-industrial-explosives-market-report>

¹⁹<https://peso.gov.in/web/en/updates/banning-instantaneous-electrical-detonators-circular-dated-09072025>

²⁰<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2213723®=3&lang=1>

²¹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2248300®=3&lang=2>

²²<https://coal.gov.in/major-statistics/production-and-supplies>

²³<https://thecoalhub.com/report-presentation/india-coal-imports-fell-in-march-2026-as-thermal-coal-demand-weakened>

²⁴<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250022®=3&lang=2>

²⁵<https://www.pib.gov.in/PressNoteDetails.aspx?NotelD=157165&ModuleId=3®=3&lang=2>

²⁶https://mines.gov.in/admin/storage/ckeditor/Press_Release_Press_Information_Bureau_1750738713.pdf

Growth Drivers
Sustained consumption of iron ore and other bulk minerals driven by growth in steel production and construction activity.
Rising demand for aluminium and copper from power, automotive and electrical industries.
Continued regulatory simplification and auction-based mineral allocation improving transparency and investment.
Increased focus on exploration activity and development of new mining blocks to strengthen supply availability.
Strategic emphasis on securing minerals essential for clean energy transition and advanced manufacturing requirements.

Outlook

The outlook for the Indian minerals industry remains favourable, supported by sustained infrastructure spending, growth in manufacturing activity and rising domestic steel production. Continued policy reforms, improved exploration activity and emphasis on critical and strategic minerals are expected to strengthen India's mineral security. With stable demand across core industries, the minerals sector remains well positioned to support India's long-term industrial and energy objectives.

Real Estate and Construction Industry

India's real estate and construction sector continues to remain a key pillar of economic growth in FY 2025-26, supported by infrastructure expansion and urban development. While housing sales volumes have moderated in select markets, overall demand remains resilient, particularly across the mid and premium segments. Property prices have remained stable, with selective appreciation across major cities.

The construction industry is expected to grow at around 8–10% in FY 2025-26²⁷, backed by strong infrastructure spending on roads, railways, metro networks and urban infrastructure projects. Rising urbanisation, improving buyer sentiment and steady project execution continue to provide momentum to the sector.

Growth Drivers
Continued government investment in transport networks, urban infrastructure and smart city development.
Rising urban population and improving income levels driving sustained housing demand.
Relatively stable interest rates and improved availability of housing finance aiding affordability and demand.
Construction companies maintaining strong order books.
Greater consolidation and preference for reputed developers improving sector stability.

Outlook

The outlook for the upcoming years remains positive, supported by sustained public infrastructure spending and steady residential demand. Expansion into Tier-II and Tier-III markets, coupled with improved financing access and policy support, is expected to drive medium-term growth. While affordability and input cost pressures remain key areas to monitor, structural drivers such as urbanisation and infrastructure development continue to underpin the sector's long-term growth prospects.

Roads and Infrastructure Sector²⁸

India's roads and infrastructure sector is entering a renewed growth phase, anchored by a strong public capital expenditure push and improving momentum in industrial and construction activity. Government capex has scaled up significantly over the last few years, with public capital outlay budgeted at ₹12.2 lakh crore in FY 2026-27 and effective public capital expenditure at about ₹15.48 lakh crore, over four times higher than FY 2017-18 levels. This sustained investment is driving expansion of highways, bridges, logistics parks and Urban infrastructure, railways & ports expansion.

This sector is further supported by strengthening domestic capital goods activity, reflected in 8.1% year-on-year growth in capital goods IIP and rising imports of construction machinery, improving access to modern equipment and technology for road-building and related infrastructure projects.

Growth Drivers
Union Budget 2026-27 prioritising infrastructure led growth to crowd in private investment and enhance productive capacity.
Policy support for high precision tooling, construction equipment and container manufacturing is improving domestic availability of advanced machinery.
Customs duty exemptions on select capital goods and tax incentives for tolling and electronics manufacturing are lowering the cost of critical equipment for developers.
Accelerating manufacturing GVA growth and broad based IIP gains are creating sustained demand for highways, industrial corridors and urban infrastructure.
Increased spending on containers, material handling systems and related capital goods is improving freight efficiency and supporting road based trade networks.

Outlook

The outlook for India's roads and infrastructure sector remains positive, with rising public capex and a strong project pipeline of national highways, expressways, logistics and urban infrastructure. As capital goods capacity strengthens and policy incentives reduce equipment and financing costs, execution efficiency is expected to improve, supporting faster project completion and better asset quality.

These trends position the sector to support India's long-term growth by enhancing connectivity, reducing logistics costs and enabling the Viksit Bharat 2047 vision through sustained expansion of high-quality transport and urban infrastructure.

Ports²⁹

India's seaport ecosystem is entering a scale-up phase, supported by infrastructure investments. The port network currently handles nearly 95% of India's merchandise trade by volume, supported by 12 major ports and over 200 non-major ports. In addition, two new major ports are expected to become operational over the next few years.

 **The Government has set ambitious target for increasing Ports capacity from the current 2,700 million Tons to 10,000 million Tons by 2047.**

Port-led investments and modernisation initiatives aggregating around INR 5.8 trillion are strengthening industrial corridors, accelerating coastal development and improving multi-modal connectivity through enhanced linkages with road, rail and inland waterways. This expansion is also driving development of port-adjacent industrial ecosystems, with industrial parks, logistics parks, FTWZs and SEZs increasingly clustering around key gateways, reinforcing ports as integrated logistics and manufacturing hubs.

Growth Drivers
- Expansion of container terminals is supporting export oriented manufacturing and deeper integration with global supply chains. - Growth in FTWZs, SEZs and freight corridor connectivity is reducing transit time and improving logistics efficiency. - Public and private investments under national maritime and logistics programmes are focused on capacity augmentation, mechanisation and digitisation of port operations. - Strengthening of rail sidings, highways, coastal shipping and inland waterways is expanding hinterland reach and improving catchment areas for major ports. - Increased participation from institutional investors and developers is supporting growth in port adjacent logistics, industrial real estate and urban infrastructure, aided by stable cargo volumes and long concession tenures.

Outlook

The outlook for India's port infrastructure remains strong, supported by rising trade volumes and increased manufacturing activity.

Continued investments in capacity, technology and connectivity are expected to improve vessel turnaround times, enhance operational efficiency and enable handling of larger vessels and diversified cargo mixes.

Further, governance reforms, digitalisation initiatives, sustainability focus and greater private participation are expected to enhance global competitiveness. Port-led development is also likely to unlock new opportunities across logistics, industrial real estate and coastal urbanisation. Overall, India's seaport sector remains well positioned to support the next phase of trade- and manufacturing-led growth.

Cement and Limestone

India's cement and limestone ecosystem is entering a new capacity expansion phase, underpinned by strong demand visibility and a supportive policy shift. Cement production in FY 2025-26 reached 485 million tonnes, reflecting a growth of 9.2% over the previous year. Cement grinding capacity is projected to rise by about 160–170 million metric tonnes (MT) over FY 2026–28³⁰, a sharp acceleration from the 95 MT added over the last three years. In parallel, the industry is expected to expand its installed capacity from 680 million tonnes at present to 850 million tonnes by FY 2029-30.

This build-out is being driven by robust cement demand (around 9.5% CAGR in recent fiscals), supported by housing, infrastructure and industrial activity, which has already lifted utilisation levels to nearly 70%.

On the supply side, limestone, the key raw material for cement, has been fully reclassified as a major mineral³¹. This removes restrictive end-use conditions and allows leaseholders to sell limestone freely across industries, including cement. The change is expected to ease raw material constraints and support faster capacity ramp-up.

Growth Drivers
- Sustained public and private investment in infrastructure and housing, sustaining underlying cement demand. - Increasing shift towards split grinding units closer to consumption centres, reducing logistics costs and improving supply responsiveness; nearly two thirds of new capacity is expected in this format. - Strong capex momentum among cement producers, with a large portion of additions being brownfield and largely funded through internal accruals, supporting stable leverage and credit metrics. - Full classification of limestone as a major mineral, eliminating earlier minor/major distinctions and enabling more flexible supply to cement plants. - Higher limestone availability boosting employment and income generation in mining regions, while improving raw material security for new and existing cement plants.

²⁷<https://www.icra.in/CommonService/OpenMediaS3?Key=43340eae-251f-4f2a-8139-06985ccee98>

²⁸<https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=157180&ModuleId=3®=3&lang=1>

²⁹<https://www.cbre.co.in/insights/reports/india-infrastructure-series-seaports-anchoring-maritime-economic-growth>

³⁰<https://www.spglobal.com/energy/en/news-research/latest-news/fertilizers/111225-indias-cement-capacity-to-add-160-170-mil-mt-in-fy-2026-28-crisil>

Outlook

The outlook for India's cement and limestone sector remains favourable. In the near term, commissioning of ~70–75 MT of new capacity in the current fiscal year may temporarily soften utilisation. However, over FY 2026–28, demand is expected to broadly keep pace with supply additions, keeping utilisation at around 70% and supporting stable profitability.

Over the medium term, the combination of large capacity expansion, regulatory streamlining in limestone mining and strong infrastructure and housing pipeline should further strengthen India's position as one of the fastest-growing cement markets globally. While competitive intensity may rise in regions witnessing aggressive capacity additions, the sector appears well placed to absorb higher volumes without undue balance sheet stress, provided project execution and limestone lease transitions remain smooth.

Affordable Housing Driving Cement & Limestone Demand

The Government's push for affordable housing under Pradhan Mantri Awas Yojana - Gramin and Pradhan Mantri Awas Yojana – Urban, targeting 20 million rural and 10 million urban houses between FY 2024–25 and FY 2028–29, is expected to sustain construction activity.

Given the cement-intensive nature of housing, this scale-up will drive strong cement demand, particularly in rural and semi-urban markets and in turn support increased demand for limestone, which is a key input in cement production.

Global Defence Sector³²

The global defence industry is entering a sustained growth phase through the second half of the decade, underpinned by rising defence budgets, elevated threat perceptions and large modernisation programmes across major powers and key emerging economies. Governments are prioritising mission readiness, replenishment of munitions inventories and accelerated procurement of next-generation platforms across air, land, sea and space. This is translating into strong order visibility for prime contractors and their wider supply chains.

The recovery in commercial aerospace is providing an additional tailwind. Higher passenger and cargo traffic, persistent aircraft backlogs and ageing fleets are driving demand for new aircraft, while also supporting defence-relevant technologies and capabilities that overlap with the civil aviation ecosystem.

Growth Drivers

- Large multi year procurement programmes for fighters, transport planes, missiles, air and missile defence systems, naval vessels and space based assets, as countries rearm and replace ageing equipment.
- Rising and recurring demand for maintenance, repair and overhaul, with global aftermarket activity projected to expand steadily; engines are expected to account for over half of total MRO spend over time.
- Expansion of defence industrial bases across the Middle East, Eastern Europe and the Indo Pacific, driven by localisation mandates and the development of domestic production capacity.
- Structural investments across supply chains through new facilities, dual sourcing, vertical integration and long term contracting, supporting higher output of missiles, munitions, drones and critical components.
- Procurement reforms and faster acquisition cycles, improving contract execution timelines and creating greater opportunity for both established primes and niche players.

Outlook

Overall industry growth is expected to remain strong, with defence spending continuing to outpace GDP growth in several markets and significant backlogs providing multi-year revenue visibility. The key constraint is likely to be execution rather than demand. Supply chain bottlenecks, skilled workforce shortages and capacity limitations could restrict the pace of deliverables.

Companies that can scale manufacturing, stabilize supplier networks and execute efficiently on long-term service contracts are likely to be well positioned to benefit from rising budgets and deliver steady revenue and earnings growth globally.

Indian Defence Sector³³

Defence Budget 2026–27

Total: ₹ 7.85 Lakh Crore

Category	Amount (₹ Lakh Cr)	Percentage
Capital Expenditure	2.19	27.95%
Personnel	2.07	26.40%
Operations	1.58	20.17%
Defence Pensions	1.71	21.84%
Civil Organisations Under MoD	0.29	3.64%

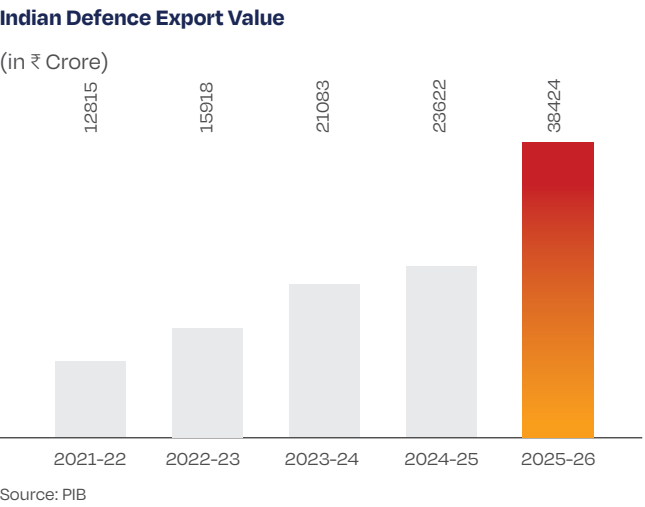
Source: PIB, Union Budget 2026–27

India's defence sector is entering a strong investment cycle, anchored by a sharp increase in budgetary allocations and a clear policy push towards self-reliance. In the Union Budget 2026–27, the Ministry of Defence received its highest-ever allocation of C7.85 lakh crore, nearly three times the level in FY 2013–14 and around 15% higher than the previous year's budget estimateallocation. Defence spending now accounts for close to 15% of total central government expenditure.

Around 28% of the allocation has been earmarked for capital expenditure, with the balance directed towards operations, salaries and pensions. This reflects a balanced focus on modernization and force sustenance. The overall agenda is to upgrade three services, strengthening border infrastructure, expanding indigenous manufacturing and ensuring robust welfare support for veterans, in line with the longer-term Viksit Bharat 2047 vision.

India's domestic defence production has increased from C1.54 lakh crore in FY 2024–25 to ₹1.7578 lakh crore in FY 2025–26, reflecting steady capacity expansion and policy support.³⁴

Indian defence products are also witnessing strong acceptance in international markets. Defence exports in FY 2025–26 stood at ₹38,424 crore, compared to ₹23,622 crore in FY 2024–25, with exports now reaching over 80 countries, highlighting the growing global competitiveness of India's defence manufacturing sector.³⁵



Growth Drivers

- Rising capital outlays for modern platforms, including next generation fighter aircraft, advanced weapons systems, naval vessels, submarines, UAVs and drones, backed by a capital allocation of over ₹2.19 lakh crore in FY 2026–27.
- Strong Atmanirbhar Bharat policy thrust, with about ₹1.39 lakh crore reserved for procurement from domestic defence industries and roughly three quarters of the capital acquisition budget ring fenced for Indian manufacturers, encouraging localisation and private sector participation.
- Higher funding for defence R&D, with DRDO's allocation increased to about ₹29,100 crore and roughly a quarter of defence R&D budget opened to industry, start ups and academia, supported by 15 DRDO–industry–academia Centres of Excellence and a network of ~2,000 partner industries.
- Targeted investments in strategic infrastructure, including enhanced allocations for the Border Roads Organisation, tunnels, bridges, airfields and defence optical fibre networks, improving mobility and operational readiness along sensitive frontiers.
- Expanded allocations for veterans' welfare, including over ₹12,100 crore for the Ex Servicemen Contributory Health Scheme and about ₹1.71 lakh crore towards defence pensions, supporting morale and long term attractiveness of defence careers.

Outlook

The outlook for India's defence sector is broadly positive, supported by multi-year budget visibility and expanding domestic manufacturing opportunities. Higher and more predictable capital allocations, combined with a procurement framework that prioritises Indian suppliers, should further deepen the domestic defence industrial base and attract private investment, joint ventures and technology transfers.

³¹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2179064®=3&lang=2>

³²<https://www.deloitte.com/us/en/insights/industry/aerospace-defense/aerospace-and-defense-industry-outlook.html>

³³<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222601®=3&lang=2>

³⁴<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2191937&lang=2®=3>

³⁵<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2248124®=3&lang=2>

At the same time, increased R&D spending and stronger industry-academia collaboration are expected to gradually shift the ecosystem from licensed manufacturing towards higher indigenous design, innovation and IP creation, particularly in complex platforms and subsystems. With sustained focus on modernisation, border infrastructure and veteran welfare, the sector appears well positioned to deliver stronger growth, greater self-reliance and improved operational readiness over the next decade.

Company Overview

Founded in 1995 in Nagpur, India, Solar Group is a leading manufacturer of industrial explosives, initiating systems and defence products, with operations spanning the entire value chain. The Company has built integrated manufacturing capabilities across industrial explosives, ammunition, rocket systems, propellants, unmanned systems and advanced defence technologies, supported by world-class manufacturing facilities and a strong focus on indigenous innovation.

With exports to over 90 countries, Solar Group continues to strengthen its global presence while expanding its defence portfolio under the Atmanirbhar Bharat initiative. Its emphasis on automation, quality, safety, research and development, and responsible manufacturing has enabled the Company to deliver reliable, technology-driven solutions for mining, infrastructure and defence applications, reinforcing its position as a trusted partner in domestic and international markets.

Opportunities and Threats

Opportunities

Structural Upswing in Global Defence Spending

Heightened geopolitical tensions and replenishment cycles across Europe, Asia and the Middle East have created a multi-year demand cycle for ammunition, rockets and high-energy materials. The industry indicates a sustained demand visibility for the next 5–7 years, particularly in artillery systems, rocket platforms and explosives.

Solar's Alignment:

The Company has built a robust defence order book of over ₹18,000 crore, reinforcing its position as an established global supplier. With products already qualified and facilities ramping up, Solar is structurally aligned to convert this demand into sustained revenue growth over the medium term.

Scaling Domestic Defence Indigenisation

India's continued focus on self-reliance in defence manufacturing is accelerating procurement from domestic private sector players. Long-term programs in rockets, ammunition and advanced weapon systems are creating recurring supply opportunities.

Solar's Alignment:

Solar continues to execute the Pinaka rocket programme, supported by supplies made during FY 2025–26, while expanding its participation in long-term defence programmes such as MPATGM and other missile systems. The Company is also broadening its ammunition portfolio across 23 mm, 30 mm and 155 mm calibres. These initiatives enhance long-term revenue visibility and further strengthen its strategic position within India's defence ecosystem.

Expansion of Artillery & Ammunition Demand Globally

There is a well-documented global shortage of medium and large calibre ammunition, especially 155mm artillery shells, with several countries rebuilding inventories.

Solar's Alignment:

The Company has initiated production of 155mm shells and is progressing through qualification stages. With existing capabilities in high-energy materials and ammunition systems, Solar is well placed to participate in both domestic and export demand as capacity ramps up.

Rapid Growth in International Mining & Industrial Explosives Demand

Global demand for commodities such as copper, gold and industrial metals is rising, driven by energy transition, electrification and infrastructure buildouts. Mining activity across Africa, Southeast Asia and select Eurasian markets is witnessing renewed traction.

Solar's Alignment:

Solar's international business is supported by manufacturing footprints across multiple geographies. Years of capacity building in Africa, Turkey and Southeast Asia are now yielding scale benefits, enabling the Company to capitalize on the global mining upcycle.

Operating Leverage from Defence & International Mix Shift

The industry shift toward higher-value, technology-intensive defence products is structurally improving margin profiles for specialised players.

Solar's Alignment:

Solar's defence revenue witnessed a significant growth in the recent quarters fuelled by expanding international business. As these segments form a larger share of total revenues, the Company expects sustainable EBITDA margins in the 27–28% range, reflecting improved product mix and scale efficiencies.

Capacity Expansion Backed by Strong Order Visibility

With strong order inflows across defence and exports, the industry is entering a scale-up phase where timely capacity creation will determine market share gains.

Solar's Alignment:

The Company is undertaking significant capex, expanding facilities in Dhule and Dholpur and ramping up defence manufacturing infrastructure. With qualified products and long-term contracts already secured, capacity expansion is directly linked to executable demand rather than speculative growth.

Emerging Opportunities in Advanced Defence Technologies

Modern warfare is increasingly shifting toward unmanned systems, loitering munitions and high-technology platforms including robotics. Government is encouraging indigenous development in these strategic segments, expanding the addressable opportunity beyond conventional ammunition and explosives.

Solar's Alignment:

Solar is actively developing loitering munitions and working on MALE category UAV programs, as part of its strategic focus on next-generation defence technologies. The Company is also in the process of strengthening its capabilities through the establishment of a dedicated centre for robotics and UAV development, which is expected to support advanced product design, testing and system integration.

These initiatives position Solar to expand beyond traditional war theater platforms into technology-driven defence platforms, enhancing its long-term relevance and participation in evolving warfare ecosystems.

Threats

Execution Risk in Large Defence Programs

Defence projects involve lengthy qualification cycles, trials and phased ramp-ups. Delays in trials can defer revenue recognition. Scaling up complex ammunition and missile systems requires precision execution and supply chain synchronization.

Geopolitical and Export Policy Risks

While geopolitical tensions currently support defence demand, changes in export controls, international sanctions,logistic bottlenecks, bilateral trade dynamics or political shifts in importing countries may affect order flows and execution schedules. Also, large exposure to international defence markets introduces sovereign and regulatory risks.

Cyclicality in Domestic Mining Demand

Domestic mining and infrastructure demand remained subdued during the year due to:

- Heavy monsoons
- Slower growth in coal offtake
- Flat electricity demand

Although the Company expects long-term recovery, short-term fluctuations in mining activity may impact volumes.

Commodity Price and Raw Material Volatility

The explosives business depends on key inputs such as ammonium nitrate and other energetic material precursors. Volatility in raw

material prices or supply disruptions could pressure margins if not passed through in a timely manner.

Regulatory and Safety Compliance Risk

Manufacturing of explosives and ammunition operates under stringent regulatory frameworks. Any safety incident, compliance lapse, or tightening of environmental and defence regulations could result in operational disruptions, penalties or reputational impact.

Capital Allocation and Scale Management

With significant planned capex across defence capacity expansion and international operations, efficient capital deployment and timely ramp-up remain critical. Any delay in capacity absorption could temporarily affect return ratios.

Technology Development and Competitive Intensity

Entry into advanced platforms such as UAVs and next-generation munitions involves technological complexity and global competition. Delays in product qualification or inability to secure large platform contracts may impact anticipated growth trajectories.

Product-Wise Performance

Product portfolio

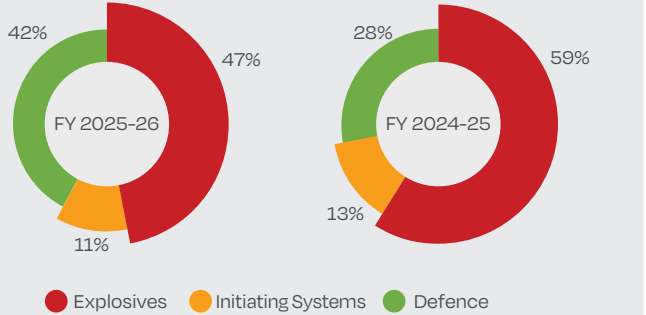
Industrial Explosives

- Bulk Explosives
- Packaged Explosives
- Initiating Systems

Defence Products

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

Product-Wise Revenue Mix

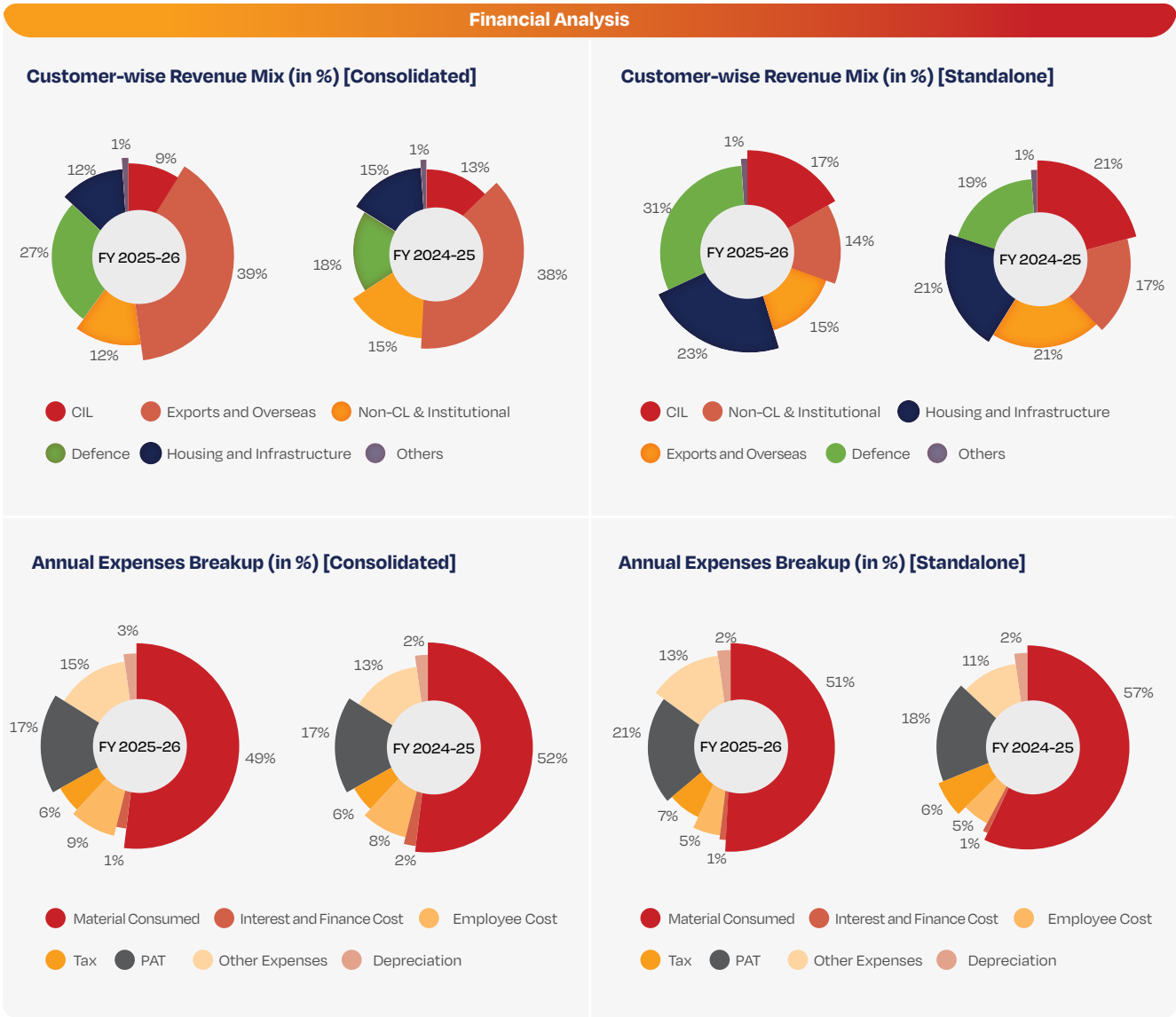


Financial Overview

Sr. No.	Key Financial Ratio	FY 2025-26	FY 2024-25
1	Debtors’ Turnover	5.95	6.67
2	Inventory Turnover	17.00	21.19
3	Interest Coverage Ratio	20.10	15.50
4	Current Ratio	2.06	1.95
5	Debt to Equity Ratio	0.23	0.21
6	Adjusted Operating Profit Margin (%)	24.10%	23.67%
7	Adjusted Net Profit Margin (%)	17.65%	17.08%
8	Return on Net Worth (%)*	27.67%	29.18%

* The decrease of 1.51% in the Return on Net Worth was primarily attributable to the increase in shareholders’ funds through the accumulation of reserves and surplus. While profitability improved, the expansion in the net worth base was proportionately higher, resulting in a marginal decline in the return generated on shareholders’ equity as compared to the previous year.

1. There is a change of 29.70% in Interest Service coverage ratio on account of an increase in EBITDA during the current year.
2. There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the other key financial ratios.



Board's Report

Dear Members,

Your Board of Directors (Board) have pleasure in presenting the 31st Annual Report on the business and operations of the Company, together with the audited financial statements (Standalone & Consolidated) for the financial year ended March 31, 2026.

1. Financial Highlights:

The Company's Financial Performance (Standalone & Consolidated) for the Financial Year ended March 31, 2026 is summarised below.

Particulars			(₹ in Crore Except EPS)	
	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	5578.86	4456.60	9837.74	7540.26
Other Income	207.24	83.75	127.98	70.83
Less: Expenditure	4019.68	3359.49	7215.93	5579.90
Profit before Depreciation, Amortization, Finance Costs, Exceptional Items and Tax Expense (Operating profit)	1766.42	1180.86	2749.79	2031.19
Less: Finance Costs	26.02	28.93	133.97	116.50
Profit before Depreciation, Amortization, Exceptional Items & Tax Expense	1740.40	1151.93	2615.82	1914.69
Less: Depreciation and Amortization expense	99.71	74.64	250.87	181.50
Profit before Tax Expense & Exceptional item	1640.68	1077.29	2364.95	1733.19
Less: Exceptional item	-	-	-	-
Profit before Tax (PBT)	1640.68	1077.29	2364.95	1733.19
Share of Profit/(Loss) of associates	-	-	0.27	5.55
Less: Tax Expense	418.98	274.18	628.58	450.81
Profit for the year	1221.70	803.11	1736.64	1287.93
Other Comprehensive Income (Net of Tax)	28.65	(5.70)	301.00	(65.00)
Total Comprehensive Income	1250.35	797.41	2037.64	1222.93
Balance of profit for earlier years	1920.23	1294.01	3419.73	2392.53
Less: Transfer to Reserves	100.00	100.00	100.00	109.09
Less: Dividend paid on Equity Shares	90.49	76.92	90.49	76.92
Add/Less: other adjustment	28.65	5.70	11.04	(9.71)
Balance carried forward	2951.44	1920.23	4976.92	3419.74
Earnings Per Share (EPS)	135.00	88.75	185.39	133.65

Financial & Operational Performance

During the financial year 2025-26, the Company recorded strong financial performance marked by sustained revenue growth, improved profitability and healthy cash flows. Which has enabled us to expand our operations. Our top line growth has been driven by successful market penetration and effective product innovation. At the same time, our bottom-line performance has benefited from careful cost management and improved operational efficiency. As a result, our Company is well positioned for sustainable growth and continued success in the future.

Highlights of the Company's performance (Standalone) for the year ended March 31, 2026 are as under:

During the year under review the Company achieved turnover of ₹ 5578.86 Crore as against turnover of ₹ 4456.60 Crore achieved during the previous Financial year, which is an increase of 25.18 %.

- The Profit before Depreciation & Tax (PBT) for the financial year 2025-26 is ₹ 1740.40 Crores against ₹ 1153.93 Crores in the year 2024-25.
- Earnings per Share as on March 31, 2026 is ₹ 135.00 against ₹ 88.75 was on March 31, 2025.
- The net worth of the Company stands at ₹ 4226.82 Crores at the end of financial year 2025-26 as compared to ₹ 3066.96 Crores at the end of financial year 2024-25.

Highlights of the Company's performance (Consolidated) for the year ended March 31, 2026 are as under:

- During the financial year ending on March 31, 2026 the Company achieved turnover of ₹ 9837.74 Crores as against turnover of ₹ 7540.26 Crores achieved during the previous Financial year, which is a significant increase in turnover by 30.46 %.

- The Profit before Depreciation & Tax (PBT) for the financial year 2025-26 is ₹ 2615.82 Crores against ₹ 1914.69 Crores in the year 2024-25.
- Earnings Per Share as on March 31, 2026 is ₹ 185.39 vis-à-vis against ₹ 133.65 as on March 31, 2025.
- The net worth of the Company stands at ₹ 6277.20 Crores at the end of financial year 2025-26 as compared to ₹ 4386.34 Crores at the end of financial year 2024-25.

2. Transfer to Reserves

The Company has transferred ₹ 100 Crores to the general reserve out of the amount available for appropriations and an amount of ₹ 2951.44 Crores is proposed to be retained in the statement of profit and loss.

3. Dividend:

The Dividend Distribution Policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors at their meeting held on May 15, 2026 has recommended the payment of ₹ 11/- per equity share i.e. 550% of the face value of ₹ 2/- each as final dividend for the financial year ended March 31, 2026.

The payment of final dividend is subject to the approval of the shareholders at the ensuing 31st Annual General Meeting ("AGM") of the Company.

The dividend on equity shares for the financial year 2025-26 would aggregate to ₹ 99.54/- Crore.

The Dividend Distribution Policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website and can be accessed at <https://solargroup.sgy/ddp>.

A copy of the policy will be made available to any shareholder on request by email.

4. Material Changes and Commitments

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

5. Deposits

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

6. Particulars of Loan, Guarantees or Investments

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

7. Subsidiaries, Associates and Joint Venture

The Company has 8 (Eight) wholly owned subsidiaries, 28 (Twenty-Eight) step-down subsidiaries and 3 (Three) Associate Companies as on March 31, 2026. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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

8. Financial Performance of Company's Subsidiaries

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

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

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

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the financial year ended March 31, 2026 in the prescribed Form AOC-1 forms a part of the Annual Report.

In accordance with the provisions of Section 136 of the Act and the amendments thereto, read with SEBI Listing Regulations the audited financial statements, including the consolidated financial statement and related information of the Company and the financial statements of each of the subsidiary Companies are available on our website www.solargroup.com.

Any member desirous of making inspection or obtaining copies of the said financial statements may write to the Company Secretary & Compliance officer at investor.relations@solargroup.com.

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

9. Material Subsidiary

Solar Defence and Aerospace Limited (*formerly known as Economic Explosives Limited*) and Solar Overseas Mauritius Limited are the material subsidiaries of the Company as per the thresholds laid down under the SEBI Listing Regulations. There has been no material change in the nature of the business of the subsidiaries.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time.

The Policy has been uploaded on the Company's website at <https://solargroup.sgy/ms>

10. Capital and Finance

Equity Shares

The Issued, Subscribed and Paid-up Equity Share Capital as on March 31, 2026 was ₹ 18.10 Crore. There was no change in the Share Capital during the year under review.

Sweat Equity Shares

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

Differential Voting Rights

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

Employee Stock Options

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

Non-Convertible Debentures

1. During the Financial year 2025-26 under review, the Company had fully redeemed 150 (One Hundred and fifty) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 10,00,000/- (Ten lakh) each amounting to ₹ 15.00 Crore (Fifteen Crore) and made an Interest Payment amounting to ₹ 0.63 Crore.
2. During the Financial year 2025-26 under review, the Company had partially redeemed 1,168 (One thousand One Hundred and Sixty Eight) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 1,00,000/- (One lakh) each amounting to ₹ 11.68 Crore (Eleven crore and Sixty Eight lakh) and made an Interest Payment amounting to ₹ 1.53 Crore.

Commercial Papers

During the Financial year 2025-26, the Company has redeemed the Commercial Paper on :-

1. February 9, 2026 amounting to ₹ 50 crores which was issued on November 11, 2025,
2. March 23, 2026 amounting to ₹ 100 crores which was issued on December 23, 2025

Borrowings

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

11. Corporate Governance

In terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with a certificate from the auditor's confirming compliance is annexed and forms part of the Annual Report.

12. Risk Management

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

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

It takes into consideration the nature, scale and complexity of the business. Details on risk management activities of the Company including key risks identified and their mitigation is available at page no. 31 of this report. The details of Risk Management Committee and its frequency of meetings are included in the Corporate Governance Report

13. Investor Education and Protection Fund ("IEPF")

Pursuant to Section 124 and Section 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, transfer and Refund) Rules, 2016 ('the Rules'), all the unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further according to the Rules, the shares on which dividends have 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 ₹ 82,758/- (Rupees Eighty Two Thousand Seven Hundred and Fifty Eight) relating to financial year 2017-2018 (Final Dividend). The details of unpaid/unclaimed dividend transferred to IEPF Authority are available on the Company's website www.solargroup.com.

Further 297 (Two Hundred and Ninety-Seven) shares were transferred to the demat account of IEPF authority as per the requirements of IEPF rules. The details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

14. Declaration from Independent Directors

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

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

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

to the performance of the Board. The Directors are selected purely on the basis of merit with no discrimination on race, color, religion, gender or nationality.

15. Board Meetings

During the year under review Four Board Meetings were convened and held on May 20, 2025, August 7, 2025, November 10, 2025 and February 3, 2026.

16. Board Committees & Number of Meetings of Board Committees

The Board has Constituted the following Committees: -

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility and Sustainability Committee (*formerly known as Corporate Social Responsibility Committee*)
5. Risk Management Committee
6. Executive Committee
7. Investment Committee

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

17. Internal Financial Control and its Adequacy

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

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

18. Board Diversity

The Board comprises of an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are the persons of eminence in areas such as business, industry, finance, law, administration, accounting technology etc. and bring with them experience and skills which add value

19. Reporting of Frauds

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

20. Secretarial Standards

The Company has complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1), Secretarial Standard on General Meetings (SS-2) and other voluntarily adopted Secretarial Standards such as Secretarial Standard on Dividend (SS-3), Secretarial Standard on Report of the Board of Directors (SS-4) issued by Institute of Company Secretaries of India.

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

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

22. Vigil Mechanism

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

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

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at the link <https://solargroup.sgy/wbp>

23. Prevention of Sexual Harassment of Employees at Workplace

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules framed thereunder, the Company

has adopted a comprehensive policy that enforces a zero-tolerance approach towards any form of sexual harassment in the workplace.

The Policy is broadly premised on the following and encompasses, inter alia:

- Definition of Sexual Harassment,
- Guidelines for reporting incidents at the workplace,
- The procedures for the resolution and redressal of complaints pertaining thereto.

This policy applies to all employees, including permanent, contractual, temporary staff, and trainees. During the financial year under review, the Company did not receive any complaints relating to sexual harassment at the workplace.

The Company has duly constituted an Internal Complaints Committee in accordance with the provisions of the POSH Act & Rules, ensuring an effective mechanism for the redressal of grievances.

Further, the Company conducts regular training and awareness programs throughout the year to promote a respectful and inclusive work environment and to sensitize employees on issues related to workplace conduct.

24. Directors and Key Managerial Personnel

a. Retirement by Rotation and subsequent Re-appointment

Shri Milind Deshmukh being the longest in the office among the directors liable to retire by rotation, retires from the Board this year and being eligible, has offered himself for re-appointment.

The Boards of Directors recommends his re-appointment at Item No. 3 of the Notice Calling 31st Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Milind Deshmukh 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 31st Annual General Meeting.

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

b. Appointment

Pursuant to the recommendation of Nomination and Remuneration Committee ("NRC") the Board has considered and approved the following:

- i) Appointment of Smt. Girija Balakrishnan (DIN: 06841071) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years commencing

from September 18, 2025, through Circular Resolution dated September 16, 2025, subject to approval of members of the Company through Special Resolution.

In this regard, the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 10, 2025, for seeking the approval of Members of the Company by way of Special Resolution for appointment of Smt. Girija Balakrishnan (DIN: 06841071) as Non-Executive Independent Directors of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated November 10, 2025, failed to get the requisite majority.

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

In light of the above amendment, Smt. Girija Balakrishnan (DIN: 06841071) is deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- ii) Appointment of Shri Viswanathan Lakshmanan (DIN: 00193056) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years commencing from October 18, 2025 through Circular Resolution dated September 16, 2025, subject to approval of members of the Company through Special Resolution.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 10, 2025 for seeking the approval of Members of the Company by way of Special Resolution for appointment Shri Viswanathan Lakshmanan (DIN: 00193056) as Non-Executive Independent Directors of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated November 10, 2025, failed to get the requisite majority.

The recently amended sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure

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

In light of the above amendment, Shri Viswanathan Lakshmanan (DIN: 00193056) is deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- iii) Appointment of Shri Ramesh Bhujang (DIN: 00194189) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Two (02) consecutive years commencing from December 03, 2025, through Circular Resolution dated December 03, 2025, subject to approval of members of the Company through Special Resolution.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated January 14, 2026 for seeking the approval of Members of the Company by way of Special Resolution for appointment Shri Ramesh Bhujang (DIN: 00194189) as Non-Executive Independent Directors of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated January 14, 2026, failed to get the requisite majority.

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

In light of the above amendment, Shri Ramesh Bhujang (DIN: 00194189) is deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- iv) Appointment of Shri Kirit Kamdar (DIN: 06513347) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years commencing from April 01, 2026, through Circular Resolution dated March 31, 2026, subject to approval of members of the Company through Special Resolution on or before June 30, 2026.
- v) Appointment of Smt. Reena Jha Tripathi (DIN: 11022528) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years commencing from May 15, 2026, subject to the approval of shareholders of the Company to be taken on or before August 14, 2026.

A resolution seeking member's approval for her appointment as a Non-Executive Independent Director forms a part of the Notice convening the 31st Annual General Meeting of the Company and the same is recommended for the approval of Members.

The independent directors so appointed by the Board are of integrity and possess the requisite expertise and experience (including proficiency).

c. Vacation

Shri Kailashchandra Nuwal (DIN: 00374378) has vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However, Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. The Hon'ble NCLAT pronounced its final order through virtual hearing on December 14, 2021 ("Impugned Order") in the Appeal No. 29/2021 filed by Solar Industries India Limited ("the Company"). By way of this Impugned Order, the Hon'ble NCLAT had dismissed the appeal filed by the Company. The Company filed Civil Appeal, against the Impugned Order of the Hon'ble NCLAT before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court on January 10, 2022. Hon'ble Supreme Court vide order dated January 10, 2022, stayed the operation of the impugned orders Hon'ble NCLT and Hon'ble NCLAT dated December 14, 2021, till the next date of hearing.

The Civil Appeal was listed before the Hon'ble Supreme Court on August 26, 2025. After considering the submissions of the parties, the Hon'ble Supreme Court noted that the term of the directorship of Shri Kailash Chandra Nuwal, the Company's erstwhile director, from April 1, 2016 to March 31, 2021, had expired. In view of the same, the Hon'ble Supreme Court disposed of the Civil Appeal. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

d. Cessation

During the year under review, following Independent Directors ceased to hold their offices respectively upon completion their tenure.

- i. Smt. Rashmi Prasad (DIN: 10329445), Non-Executive Independent Director of the Company has completed her First term on September 20, 2025.
- ii. Shri Natrajan Ramkrishna (DIN: 06597041), Non-Executive Independent Director of the Company has completed his First term on October 18, 2025.
- iii. Shri Jagdish Belwal (DIN: 08644877), Non-Executive Independent Director of the Company has completed his First term on December 05, 2025.
- vi. Shri Dinesh Kumar Batra (DIN: 08773363), Non-Executive Independent Director of the Company has completed his First term on March 31, 2026.

e. Resignation

After the end of financial year under review, Shri Kirit Ramesh Kamdar (DIN: 06513347) Additional, Non-Executive Independent Director of the Company has resigned from the office w.e.f. May 06, 2026, due to some unavoidable professional commitments.

f. Key Managerial Personnel

The Key Managerial Personnel of the Company as on March 31, 2026 are:

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

25. Board Evaluation

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

The evaluation process was facilitated through a structured and systematic evaluation mechanism supported by an appropriate software tool, which enabled uniformity, objectivity and ease of consolidation of feedback.

The detailed manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017.

26. Nomination & Remuneration Policy

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

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

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

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

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

28. Annual Return

The Annual Return of the Company as on March 31, 2026 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.solargroup.com

29. Statement of Disclosure of Remuneration

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

- a. The Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2025-26, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the financial year 2025-26 is as follows:**

Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2025-26
Shri Manish Nuwal	Managing Director & CEO	780	60%
Shri Suresh Menon	Executive Director	35	17%
Shri Milind Deshmukh	Executive Director	26	17%
Shri Moneesh Agrawal	Joint Chief Financial Officer	13	8%
Smt. Shalinee Mandhana	Joint Chief Financial Officer	12	15%
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	7	13%

Note:

- The Non-Executive Independent Directors of the Company were only paid sitting fees for attending Board and Committee meetings.
- There was 54% increase in remuneration of director and KMP in the financial year 2025-26.

- b.** The percentage increase in the median remuneration of employees in the financial year: 11.80 %
- c.** The number of permanent employees on the rolls of Company: 2351
- d.** Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in salaries of employees other than Key Managerial Personnel was 9.26%. The average annual increase in the remuneration of Key Managerial Personnel was 22%. 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

- e. Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

The remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel and Employees of the Company.

- f.** The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this

report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company at www.solargroup.com. Any shareholder interested in obtaining a copy of the same may write to the Company secretary and Compliance Officer of the company.

30. Related Party Transactions

All transactions with related parties during the financial year 2025-26 were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of unforeseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis.

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

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

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

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

The said disclosures can be accessed on the website of the Company at www.solargroup.com. The Related Party Transactions Policy is available on the Company's website at www.solargroup.com

31. Human Resources and Industrial Relations

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

The Company is constantly engaging in several initiatives to develop employees holistically to ensure that we have competent employees in all areas of the business. We are implementing several robust Human Resources practices and processes to enhance employee experience, engagement and enablement to deliver exemplary results. Some of these initiatives include structured talent management processes, leadership development, competency development, identifying and ring-fencing key employees occupying key roles, employee engagement and well-being, rewards and recognition, performance management and so on. Having implemented the Behavioral Competency Framework with a focus on leadership development, Functional Competency Framework is being institutionalized to enhance technical and functional expertise. The right environment and resources are provided to ensure research capabilities of employees are developed and honed to develop in-house products with sound safety, quality and reliability standards. Leadership development initiatives include providing the necessary experience, exposure and education to ensure employee readiness to execute critical roles and responsibilities.

We have a robust induction and training process for new talent, to ensure safety and quality standards are adhered to. All new employees are required to go through detailed technical and behavioral trainings in their respective domain areas to ensure productivity is achieved along with safety and quality. The Company is maintaining smooth Industrial relations and statutory compliance at all plants and offices.

32. Auditors and Auditors Report

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s SRBC & Co. LLP Chartered Accountants (Firm Registration No.

324982E/ E300003) jointly with M/s. Gandhi Rath & Co (Firm Registration No. 103031W) were appointed as Statutory Auditor of the Company for a term of 5 consecutive years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.

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

Auditors' Report

The Auditor's Report for the year ended March 31, 2026 on the financial statements of the Company is a part of this Annual Report. The notes on Financial Statements referred in the Annual Report are self explanatory and do not call for any further comments.

The Auditor's Report for the financial year 2025-26 does not contain any qualification, reservation or adverse remark.

Cost Auditor and Cost Records

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act. Shri Deepak Khanuja, Partner of M/s Deepak Khanuja & Associates, Nagpur has carried out the cost audit for applicable products during the financial year 2025-26.

The Board on the recommendation of the audit committee, have appointed Shri Deepak Khanuja, Partner of M/s Deepak Khanuja & Associates as its Cost Auditors to audit the cost records of the Company for the financial year 2026-27. A certificate has been received from the Cost Auditors to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limit as specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking member's approval for the remuneration payable to Cost Auditors forms part of the Notice convening 31st Annual General Meeting of the Company and the same is recommended for approval of Members.

The Cost Audit Report for the financial year 2025-26 does not contain any qualification, reservation, or adverse remark.

Internal Auditor

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

There were no adverse remarks or qualifications on accounts of the Company from the Internal Auditors. The Board of Directors of the Company has appointed M/s. Protiviti India Member Private Limited to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2026-27.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s Vinod Kothari & Company, Practicing Company Secretaries, (Unique Code: P1996WB042300 and Peer Review no. 4123/2023) was appointed as the Secretarial Auditor of the Company at the 30th Annual General Meeting, for a term of five consecutive years from financial year 2025-26 to financial year 2029-30.

The Secretarial Audit Report for the financial year ended March 31, 2026 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations records of the Company and its Material Subsidiary are annexed herewith as **"Annexure B1 and B2"**.

The Secretarial Audit Report for the financial year 2025-26, does not contain any qualification, reservation, or adverse remark.

33. Corporate Social Responsibility

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

The Corporate Social Responsibility policy lays down the guiding principles and strategies for implementing CSR initiatives of the Company. A detailed report on Solar's various CSR initiatives has been provided in the Annual Report as required under Section 135 of the Companies Act, 2013 (Act) which is annexed as **"Annexure C"** to this report.

The CSR policy is available on <https://solargroup.s.gy/csr>

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

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

35. Management Discussion and Analysis Report

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

36. Statement of Management Responsibility for Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated

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

37. Cyber Security

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

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

38. Business Responsibility and Sustainability Report

The Company is committed to pursuing its business objectives ethically, transparently and with accountability

to all its stakeholders. It believes in demonstrating responsible behaviour while adding value to society and the community, as well as ensuring environmental well-being from a long-term perspective.

In compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") on the environmental, social and governance disclosures as stipulated under the Listing Regulations is presented in a separate section forming part of this Integrated Annual Report.

39. Director's Responsibility Statement

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

- i. In the preparation of the annual accounts of the Company for the year ended March 31, 2026, 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, 2026, 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 the act for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv. Annual accounts for the year ended March 31, 2026 have been prepared on a going concern basis.
- v. Proper Internal financial controls are in place in the Company and such internal financial controls are adequate and operating effectively.
- vi. Proper Systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

40. Other Disclosures

- i. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

- ii. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- iii. The Company has not failed to implement any corporate action during the year under review;
- iv. The Company's securities were not suspended during the year under review;
- v. The Company has registered itself on Trade Receivables Discounting System platform (TReDS) through the service providers Receivables Exchange of India Limited. The Company complies with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.
- vi. There has been no change in the nature of business of the Company.
- vii. There was no revision of financial statements and Board's Report of the Company during the year under review.
- viii. The Company complies with the provisions of the Maternity Benefit Act, 1961, and provides maternity benefits to eligible women employees.

41. CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2025-26 signed by Shri Manish Nuwal, Managing Director & CEO, and Shri Moneesh Agrawal, Joint CFO and Smt. Shalinee Mandhana, Joint CFO, was placed before the Board of Directors of the Company at its meeting held on May 15, 2026, and it also forms a part of this Annual Report.

42. Appreciation & Acknowledgement

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

For and on behalf of the Board

Place : Nagpur
Date : May 15, 2026

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Annexure 'A'

Form No. AOC-2

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

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

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

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts / arrangements / transactions: Not Applicable
- (c) Duration of the contracts / arrangements / transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board, if any: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

Note: The above disclosures on material transactions are based on the principle that transactions with wholly owned subsidiaries are exempt for purpose of Section 188(1) of the Act.

For and on behalf of the Board

Place : Nagpur
Date : May 15, 2026

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Annexure 'B1'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Solar Industries India Limited** (hereinafter called "**the Company**") for the financial year ended March 31, 2026 ("**period under review**"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as listed in **Annexure II** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

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

1. The Companies Act, 2013 ('the Act') and the Rules made thereunder including any re-enactment thereof;
2. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
3. Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (External Commercial Borrowings not applicable during the period under review);
4. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
5. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable: Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');

- a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations');
- b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');
- c. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('ILNCS Regulations');
- d. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 ('DT Regulations');
- e. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; and
- f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.
7. Master Direction - RBI (CP and NCDs) Directions, 2024 and applicable Operating Guidelines issued by FIMMDA;

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

- a. The Indian Boilers Act, 1923;
- b. The Explosives Act, 1884;
- c. The Environment Act, 1986;
- d. The Air (Prevention and Control of Pollution) Act, 1981;
- e. Legal Metrology Act, 2009;
- f. Public Liability Insurance Act, 1991;

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

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

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for best corporate practice with regard to shareholding pattern, related party transactions disclosures, monitoring of trades by designated persons, annual action plan, granting of loans, statutory registers etc. to the compliance team for its necessary consideration and implementation by the Company.

We further report that:

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

Adequate notice is given to all directors to hold the Board and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in cases where the meetings were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings.

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

We further report that during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in

pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except as follows:

1) Redemption of Non-Convertible Debentures (NCDs):

During the period under review the Company has fully redeemed unsecured, rated, listed, senior, redeemable NCDs amounting to ₹ 15 crores (ISIN INE343H08016) and partially redeemed (by quantity) unsecured, rated, listed, senior, redeemable NCDs ₹ 11.66 crores (ISIN INE343H08024) in accordance with the terms of issue.

2) Alteration of Articles of Association

During the period under review, the Articles of Association of the Company was proposed to be altered to include clauses that would provide for the appointment of a person nominated by the Debenture Trustee on the Board ("Nominee Director"). However, the resolution failed to obtain shareholders' approval in the Annual General Meeting held on July 22, 2025.

For M/s Vinod Kothari & Company

Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair

Joint Managing Partner
Membership No.: F10559
CP No.: 11902

Place: Mumbai

UDIN: F010559H000328217

Date: May 11, 2026

Peer Review Certificate No.:4123/2023

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

Annexure I**Annexure to Secretarial Audit Report (Non-Qualified)**

To,
The Members,
Solar Industries India Limited

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

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

Annexure II**List of Documents**

1. Minutes (signed and draft) for the meetings of the following held during the period under review:
 - a. Board of Directors dated May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026;
 - b. Audit Committee dated May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026;
 - c. Nomination and Remuneration Committee dated Minutes of the meetings dated May 20, 2025 and August 07, 2025;
 - d. Risk Management Committee dated April 9, 2025 and October 31, 2025;
 - e. Corporate Social Responsibility Committee dated May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026;
 - f. Stakeholders' Relationship Committee dated May 20, 2025, August 7, 2025, November 10, 2025 and February 03, 2026;
 - g. Executive Committee dated April 1, 2025, May 19, 2025, August 13, 2025, August 26, 2025, October 15, 2025, October 31, 2025, December 01, 2025, December 08, 2025 and December 22, 2025, January 05, 2026, January 09, 2026, March 05, 2026, March 30, 2026 .
2. Proceedings of Annual General Meeting dated July 22, 2025;
3. Terms of reference ('TOR') of all Committees;
4. Agenda papers for Board and Committee Meetings along with notice on a sample basis;
5. Proof of Circulation of draft & final minutes for meeting held during the period under review;
6. ROC Forms including IEPF forms filed during the review period;
7. Annual Action Plan formulated for FY 2025-26 with respect to Corporate Social Responsibility;
8. CFO certificate for CSR expenditure made in FY 2025-26;
9. Computation of net profit under section 198 for CSR expenditure;
10. Intimation of trading window closure to DPs;
11. Certificate under Reg 74(5) of SEBI (DP) regulations, 2018 in relation to shares received for demat in relation shares dematerialized;
12. Updated consolidated list of related parties (including the list of related parties of subsidiaries) maintained by the Company;
13. Omnibus approval obtained from the Audit Committee for FY 2025-26 and FY 2026-27;
14. Documents relating to compliance with the provisions of specific laws applicable to the Company on a sample basis;

Annexure 'B2'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Solar Defence and Aerospace Limited** (hereinafter called "**the Company**") for the financial year ended March 31, 2026 ("**period under review**"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as listed in Annexure II and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
3. Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of FDI, ODI, and ECB, if applicable;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable to the subsidiary/ material subsidiary of a listed entity:
 - a. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015;

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

- a. The Indian Boilers Act, 1923;
- b. The Standards of Weights and Measures (Enforcement) Act, 1985;
- c. The Explosives Act, 1884;
- d. Legal Metrology Act, 2009;
- e. The Public Liability Insurance Act, 1991;
- f. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- g. The Environment (Protection) Act, 1986;
- h. The Water (Prevention and Control of Pollution) Act, 1974;
- i. The Air (Prevention and Control of Pollution) Act, 1981;

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

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

Recommendations as a matter of best practice:

In the course of our audit, we have made certain observations/ recommendations for good corporate practices to the compliance team for its necessary consideration and implementation by the Company.

We further report that:

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

Adequate notice is given to all directors to hold the Board and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in cases where the

meetings were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings.

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

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

1) Alteration of the Memorandum of Association:

During the period under review, the object clause of the Memorandum of Association of the Company has been altered to include new business activities relating to the space

and aerospace sectors pursuant to shareholder's approval obtained in the Extraordinary General Meeting held on August 12, 2025. The alteration in the objects clause was registered by the Registrar of Companies, Mumbai, on September 02, 2025 in terms of Section 13 (9) of the Act.

For M/s Vinod Kothari & Company

Practicing Company Secretaries

Unique Code: P1996WBO42300

Vinita Nair

Joint Managing Partner

Membership No.: F10559

CP No.: 11902

UDIN: F010559H000328250

Place: Mumbai

Date: May 11, 2026

Peer Review Certificate No.:4123/2023

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

Annexure I**Annexure to Secretarial Audit Report (Non-Qualified)**

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

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

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

Annexure I**List of Documents**

1. Minutes (signed and draft) for the meetings of the following held during the period under review -
 - a. Board of Directors dated May 19, 2025, August 07, 2025, November 10, 2025 and February 03, 2026;
 - b. Audit Committee dated May 19, 2025, August 07, 2025, November 10, 2025 and February 03, 2026;
 - c. Nomination and Remuneration Committee dated Minutes of the meetings dated May 19, 2025 and August 7, 2025;
 - d. Corporate Social Responsibility Committee dated May 19, 2025, August 07, 2025 November 10, 2025 and February 03, 2026;
 - e. Executive Committee dated April 9, 2025, May 12, 2025 and June 13, 2025, August 08, 2025, September 15, 2025, October 08, 2025, November 17, 2025, December 09, 2025 January 05, 2026, January 08, 2026, February 24, 2026, March 09, 2026, March 30, 2026 .
2. Proceedings of Annual General Meeting dated July 18, 2025 and Extra-ordinary General Meeting dated August 12, 2025;
3. Attendance register of Board and Committee meetings;
4. Terms of reference ('TOR') of all Committees;
5. Agenda papers for Board and Committee Meetings along with notice on a sample basis;
6. Proof of circulation of draft & final minutes for meeting held during the period under review;
7. ROC eForms filed during the review period;
8. Resolution passed by circulation if any, along with proof of assent or descent received from directors;
9. Proof of circulation of Notice and explanatory statement of General Meetings;
10. Documents relating to compliance with the provisions of specific laws applicable to the Company on a sample basis.

Annexure 'C'

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

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

1. Promoting Education
2. Promoting Healthcare
3. Protection of National Heritage, Art & Culture
4. Empowerment of Women and Children
5. Promotion of literacy and sports
6. Environment and Sustainability

2. Composition of Corporate Social Responsibility and Sustainability Committee (CSRS):

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSRS Committee held during the year	Number of meetings of CSRS Committee attended during the year
1.	Shri Satyanarayan Nuwal	Chairman/Non-Executive Director	4	2
2.	Shri Manish Nuwal	Member/Executive Director / MD & CEO	4	4
3.	Shri Jagdish Belwal*	Member/ Non-Executive Independent Director	4	3
4.	Smt. Girija Balakrishnan**	Member/ Non-Executive Independent Director	4	1

*Shri Jagdish Belwal, Non-Executive Independent Director, completed his tenure as an Independent director of the company with effect from December 5, 2025 and hence ceased to be a member of the Corporate Social Responsibility and Sustainability Committee.

** Smt. Girija Balakrishnan, Non-Executive Independent Director, was appointed as the Member of the Corporate Social Responsibility and Sustainability Committee with effect from December 4, 2025.

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

<https://solargroup.s.gy/csr>

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

The average CSR obligation of the Company in the past 3 years was ₹ 8.59 Crores. Hence, the impact assessment is not applicable to the Company.

- (a) Average net profit of the Company as per Section 135(5): **₹ 836.37 Crores**
- (b) Two percent of average net profit of the company as per Section 135(5): **₹ 16.73 Crores**
- (c) Surplus arising out of the CSR projects or programmes or activities of previous financial years: **NIL**
- (d) The amount required to be set off for the financial year, if any: **Nil**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹ 16.73 Crores**

Note: For FY 2024-25, the CSR obligation was ₹ 11.80 Crores and the Company spent ₹ 32.46 Crores. The excess amount spent by the Company has not been set-off.

- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 23.24 Crores**
- (b) Amount spent in Administrative Overheads: **₹ 0.01**
- (c) Amount spent on Impact Assessment, if applicable: **Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 23.25 Crores

(e) CSR amount spent or unspent for the Financial Year 2025-2026:

Total amount Spent for the Financial Year (Rupees in Crore)	Amount Unspent (in Crores)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 23.25	NA	NA	NA	NA	NA

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

Sr. No.	Particular	(Rupees in Crores)
i	Two percent of average net profit of the company as per sub-section (5) of Section 135	₹ 16.73
ii	Total amount spent for the Financial Year	₹ 23.25
iii	Excess amount spent for the financial year [(ii)-(i)]	₹ 6.52
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 6.52

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

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

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

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

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

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

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

For and on behalf of the Board

Place : Nagpur
Date : May 15, 2026

Sd/-
Satyanarayan Nuwal
Chairman of CSR Committee

Sd/-
Manish Nuwal
Managing Director & CEO

Annexure 'D'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

A. CONSERVATION OF ENERGY

The Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimizing carbon footprints and are being continuously upgraded to consistently accomplish this goal. The Company has a distinction of having all its plants certified for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 which is a culmination of our sustained efforts and our policy of protecting environment and natural resources.

The company continues to remain committed towards conservation of energy and optimal utilization of natural resources. The company has undertaken several initiatives during the FY 2025-26 to reduce its carbon footprint and enhance sustainability across operations.

Key Initiatives undertaken during the Financial Year 2025-26

- **Solar Energy Integration:**

The company has augmented its renewable energy capacity by installation of additional solar panels. This has significantly contributed towards meeting internal power requirements through green energy and reducing reliance on conventional sources.

- **Cogeneration (Co-Gen) Project:**

The Company is in the process of implementing a cogeneration system aimed at utilizing process heat for power generation. This initiative is expected to enhance overall energy efficiency and reduce dependency on external power sources.

- **Adoption of Briquettes as Alternative Fuel:**

In line with sustainability goals, briquettes are being increasingly used as a substitute for coal. This transition has resulted in reduction of fossil fuel usage, lower emissions, and better utilization of renewable biomass resources.

- **Smart Factory Development (IIoT Implementation):**

Solar is progressing towards a smart factory ecosystem, wherein critical parameters including energy consumption, process performance, and equipment efficiency are being monitored digitally through IIoT-based platforms. This enables real-time monitoring, data-driven decision-making, and improved operational control.

- **Automation & Process Enhancements:**

Significant improvements have been initiated across production processes, including:

- Automation in cast booster manufacturing.
- Process improvements in detonator production area.
- Introduction of automatic packing systems to enhance productivity, reduce manual intervention, and optimize energy utilization.

- **Water & Environmental Management:**

- Efficient operation of Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) ensuring reuse of treated water for process and gardening purposes.
- Maintaining Zero Liquid Discharge (ZLD).
- Introduction of advanced effluent treatment processes for improved environmental performance.
- Continued focus on water conservation and resource optimization.

- **Energy Audits & Efficiency Measures:**

Regular energy audits are conducted internally and through external experts, and recommendations are implemented for continuous improvement. Energy-efficient equipment and optimized operating practices are being adopted to reduce consumption.

Overall Impact

These initiatives have resulted in:

- Increased share of renewable energy in total consumption.
- Reduction in dependency on coal and other fossil fuels.
- Improved operational efficiency and cost optimization.
- Strengthened environmental sustainability and compliance.

The Company gets energy audit conducted by internally and by Certified Energy Auditors regularly and takes corrective actions based on recommendation.

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 installed a 3 MW solar captive power plant, which is operational and contributes around 12% of the total energy consumption.

The Company spent around ₹ 1.7 Crores as a capital investment on energy conservation equipment during FY 2025-26.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company continues to adopt modern technologies and innovative practices to enhance productivity, safety, and sustainability.

Efforts in Brief

Continuous focus is placed on upgrading existing processes, developing new capabilities, and integrating advanced technologies to improve efficiency and reliability across operations.

Key Developments:

- Implementation of IIoT-based monitoring systems for plant-wide digitalization.
- Progress towards smart factory concept with end-to-end visibility.
- Increased automation in manufacturing and packing operations.
- Adoption of eco-friendly fuel and treatment technologies.
- Continuous process optimization to reduce energy and resource consumption.

Benefits Derived:

- Enhanced process control and visibility.
- Improved safety and product quality.
- Reduction in operational costs and energy usage.
- Better environmental performance.

- Automation and smart manufacturing solutions.
- Advanced environmental management and effluent treatment technologies.

Benefits Derived:

- Enhanced process safety and reliability.
- Improved energy efficiency and cost reduction.
- Strengthened environmental sustainability.
- Continuous improvement in manufacturing performance.

Future Plan of Action

The Company aims to further strengthen its sustainability and efficiency initiatives with the following plans:

- Expansion of solar energy capacity to increase renewable energy share.
- Commissioning and optimization of the cogeneration project.
- Full-scale implementation of IIoT-enabled smart factory systems.
- Increasing adoption of renewable and low-carbon fuels.
- Expansion of automation across production and packing operations.
- Further enhancement of effluent treatment systems including advanced technologies.
- Continuous reduction of carbon footprint and dependency on non-renewable resources.

Expenditure on R&D

(₹ In Crore)		
Sr. No.	Particulars	2025-26
1	Capital	2.40
2	Recurring	0
3	Total	2.40
4	R&D Expenditure percentage of Turnover	0.07

C. RESEARCH & DEVELOPMENT (R&D)

Areas of Focus:

The plant's R&D and technical initiatives are focused on:

- Safe manufacturing practices.
- Energy conservation and process optimization.
- Development and adoption of alternative fuels such as briquettes.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ In Crore)		
Sr. No.	Particulars	2025-26
a	Earnings in Foreign Exchange	2622.61
b	Outgo in Foreign Exchange	806.27

For and on behalf of the Board

Place : Nagpur
Date : May 15, 2026

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Report on Corporate Governance

This report is prepared in accordance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulation, 2015"] and the report contains the details of Corporate Governance systems and processes at Solar Industries India limited ("SOLAR "or "The Company")

1. COPORATE GOVERNANCE FRAMEWORK:

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

SOLAR remains firmly committed to upholding robust Corporate Governance practices that foster ethical conduct, operational efficiency, and transparent decision-making across all areas of the Company's business. This commitment is deeply embedded in the way the Company functions and is demonstrated through continuous efforts to strengthen, refine, and enhance its governance processes, systems, and frameworks in line with evolving regulatory and stakeholder expectations.

The Company is steadfast in institutionalising best-in-class governance practices by establishing well-defined structures, policies, and mechanisms that promote accountability, transparency, fairness, and integrity in all transactions and business dealings. These systems are designed to ensure responsible management and effective oversight at every level of the organisation.

While the philosophy of strong corporate governance has been an integral part of the Company's ethos since its formative years, the governance framework has been consciously developed to remain broad-based and adaptable. This enables the Company to respond effectively to dynamic business environments, societal expectations, and emerging challenges, thereby supporting sustainable growth and long-term value creation for all stakeholders.

These corporate governance practices play a vital role in enhancing and safeguarding value for all stakeholders of the Company, including, but not limited to, shareholders, customers, employees, contractors, vendors, and the broader community at large. Sound corporate governance fosters an atmosphere of trust, confidence, and credibility among all stakeholders by ensuring fairness, transparency, and ethical conduct in the Company's operations.

Ethical business decision-making, a well-defined framework for accountability in the exercise of authority, timely and comprehensive disclosures, strict adherence to best practices and established codes of conduct, along with an unwavering commitment to comply with applicable laws and regulations in their true letter and spirit, have collectively enabled the Company to create and sustain long-term stakeholder value.

At SOLAR, Corporate Governance is viewed not as a destination but as a continuous journey aimed at consistently enhancing

sustainable value creation. The Company firmly believes that long-term business success can be achieved only by making a meaningful and positive contribution to addressing the challenges faced by society and the world at large. Guided by this belief, SOLAR strives to uphold strong corporate governance principles that ensure high standards of transparency, integrity, and accountability across its global operations, which are fundamental to realizing its Vision of becoming a global leader in the manufacturing of industrial and military explosives and an innovative solution provider with a steadfast focus on safety, quality, and reliability.

The Company continually evaluates and strengthens its governance processes and systems to maintain the highest ethical standards. Through ethical decision-making, structured accountability in the exercise of authority, comprehensive disclosures, strict adherence to best practices and a robust code of conduct, along with an unwavering commitment to regulatory compliance in its true letter and spirit, SOLAR has effectively enhanced long-term stakeholder value across geographies.

SOLAR is committed to protecting the environment by prioritizing sustainable growth across its operations. Environmental, Social and Governance (ESG) principles remain central to the Company's long-term success and resilient value creation. Sustainability is driven by the judicious and responsible use of available resources. The Company continuously evaluates and enhances operational efficiency. Effective strategies are implemented across all facilities to reduce environmental impact. Through these efforts, SOLAR strengthens its commitment to sustainable and responsible business practices.

At SOLAR, effective leadership, robust corporate governance practices, and a strong legacy of values form the foundation of its governance framework. These principles are deeply embedded in the Company's culture, business practices, disclosure standards, and engagement with stakeholders. SOLAR consistently demonstrates its commitment to integrity, transparency, and accountability in all its operations. These core ethics and values are practiced across SOLAR and its subsidiaries globally. The Company's governance practices are aligned with globally accepted standards of good corporate governance.

1.2. Corporate Governance Policies:

At SOLAR, Corporate Governance is driven by strong Board governance processes, effective internal control

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

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

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

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

- Policy on the establishment of a system for Legal Documentation
- Policy on establishment of system for Litigation Management
- Policy on Preservation of Documents
- Policy on Grievance Redressal
- Policy for Dividend Distribution
- Risk Management Policy
- Information Security Policy
- Cyber Security Policy
- Anti-Bribery Policy and Anti- Corruption Policy

1.3. Corporate Governance Practices

SOLAR is dedicated to maintaining the highest standards of Corporate Governance practices and ensuring compliance with all applicable laws and regulatory requirements governing its operations. The Company has established robust systems, processes, and internal controls to monitor compliance obligations and manage associated risks in an effective and timely manner. Compliance with statutory and regulatory requirements is reviewed periodically through structured internal reporting and oversight mechanisms. The Stakeholders' Relationship Committee and the Board of Directors conduct quarterly reviews of all securities-related filings made with the Stock Exchanges to ensure accuracy, transparency, and adherence to applicable disclosure requirements.

1.4. Corporate Governance Structure

The Company has established an internal multi-tier governance structure, with clearly defined roles and responsibilities for each component of the system. Corporate Governance is implemented through robust board governance processes, internal control systems & processes and strong audit mechanisms. These are articulated through the Company's various governance policies, Codes of Conduct, charters of various Committees of the Board and the Company's disclosure and reporting practices.

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

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

2. FIRST LAYER GOVERNANCE BY BOARD OF DIRECTORS:

2.1 Role of Board of Directors in the Corporate Governance

The Board of Directors has a fiduciary duty to ensure that the Company's objectives, strategies, and operations are aligned with sustainable growth and long-term value creation. The Board provides strategic direction, evaluates and approves

management's business plans, and oversees the Company's risk management framework. All decisions and actions taken by the Board are guided by the best interests of the Company and its stakeholders. The Board plays a critical role in ensuring accountability, transparency, and effective governance. Solar's Board comprises a balanced blend of knowledge, professional expertise, diverse perspectives, and industry experience, enabling sound decision-making and effective oversight.

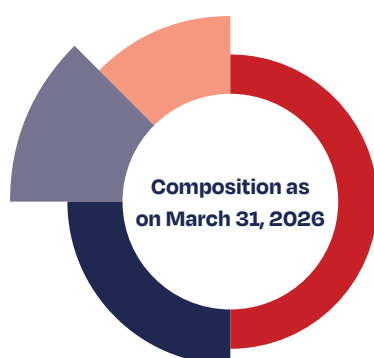
The Board also holds management accountable for driving long-term, sustainable growth in alignment with the expectations of stakeholders. In addition, the Board establishes standards for corporate conduct and ensures compliance with applicable laws, regulations, and statutory requirements governing the Company's operations.

2.2 Composition of Board

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

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

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



Promoter

- 1 | 12.5% Chairman and Non-Executive Director
- 1 | 12.5% Managing Director & CEO

Non-Promoter

- 2 | 25% Executive Directors
- 4 | 50% Non-Executive Independent Director

The Directors, as a group of competent individuals take active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, governance, compliance, etc. and works cohesively to co-create SOLAR's vision a reality along with management. The Board of Directors and Nomination and Remuneration Committee, as part of its succession planning, exercise periodical reviews of its composition to ensure that the same is closely aligned with the strategy and long-term objectives of the Company.

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

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

Your Company holds at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda in compliance with the Companies Act, 2013. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company as and when required. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice setting out the detailed Agenda of the Board Meeting is given well in advance to all the Directors. The Agenda and Pre-reads are circulated before each meeting to all the Directors for facilitating effective discussion and decision making.

Agendas are bifurcated into items requiring approval, approval and further recommendation and items which are to be taken note of by the Board and/or are circulated for the information of the Board members. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings. Clarification(s)/queries, if any, on the agenda items are sought in advance and resolved before the meeting to ensure fruitful deliberations during the meeting.

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

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

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

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Management apprises the Board through a presentation at every Meeting on the overall performance of your Company. The presentation is then followed by review of the performance of the businesses vis-à-vis financial results, review of subsidiary's performance, review of compliance reports, fund position and investments status. The Board reviews the strategy, budgets & business plans, capital expenditure on annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc.

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

Recording minutes of proceedings at Board and Committee Meetings:

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

Post meeting follow-up mechanism

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

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

Compliance:

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

Meetings held during the year:

During the financial year 2025-26, the Board of Directors met 04 (Four) Times i.e. May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026. The necessary quorum was present for all the meetings.

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

Flow of Information to the Board:

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

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

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

2.4 Independent Directors:

Separate Meetings of Independent Directors

The separate meeting of the Independent Directors was held on February 27, 2026 as stipulated by the Code of Independent Directors under Section 149 (8) read with Schedule VI of the act and Regulation 25 of SEBI Listing Regulation, 2015 to inter alia:

- I. Review the performance of Non- Independent Directors and the Board as a whole;
- II. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- III. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

Selection and Appointment of Independent Directors:

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

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

As required under Regulation 46(2)(b) of the SEBI Listing Regulation, 2015, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of their appointment are posted on the Company's website and can be accessed at www.solargroup.com

Familiarization Program of Independent Directors

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

The Independent Director is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility Policy.

The Statutory Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

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

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the link: <https://solargroup.s.gy/fp>

Declarations by Independent Directors

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

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

Based on the intimations/disclosures received from the Directors periodically, none of the Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) and Director in more than 07 listed entities (as specified in Regulation 17A of the SEBI Listing Regulation, 2015) or acts as an Independent Director (including any alternate directorships) in more than 7 listed companies or 03 equity listed companies in case he/she serves as a Whole-Time Director/Managing Director in any listed company (as specified in Regulation 17A of the SEBI Listing Regulation, 2015). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 05 Committees (as specified in Regulation 26 of the SEBI Listing Regulation, 2015), across all the Indian public limited companies in which he/she is a Director.

Appointment:

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

- i. Appointment of Smt. Girija Balakrishnan (DIN: 06841071) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years commencing from September 18, 2025, through Circular Resolution dated September 16, 2025, subject to approval of members of the Company through Special Resolution on or before December 17, 2025.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 10, 2025 seeking the approval of Members of the Company by way of Special Resolution for appointment of Smt. Girija Balakrishnan (DIN: 06841071) as a Non-Executive Independent Director of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated November 10, 2025 failed to get the requisite majority.

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

In the light of the above, Smt. Girija Balakrishnan (DIN: 06841071) shall be deemed to be appointed as an Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- ii. Appointment of Shri Viswanathan Lakshmanan (DIN: 00193056) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years w.e.f October 18, 2025, through Circular Resolution dated September 16, 2025, subject to approval of members of the Company through Special Resolution on or before January 17, 2026.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated November 10, 2025 seeking the approval of Members of the Company by way of Special Resolution for appointment of Shri Viswanathan Lakshmanan (DIN: 00193056) as a Non-Executive Independent Director of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated November 10, 2025 failed to get the requisite majority.

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

In the light of the above, Shri Viswanathan Lakshmanan (DIN: 00193056) shall be deemed to be appointed as an Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- iii. Appointment of Shri Ramesh Bhujang (DIN: 00194189) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Two (02) consecutive years w.e.f December 03, 2025, through Circular Resolution dated December 03, 2025, subject to approval of members of the Company through Special Resolution on or before March 02, 2026.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated January 14, 2026 seeking the approval of Members of the Company by way of Special Resolution for appointment of Shri Ramesh Bhujang (DIN: 00194189) as a Non-Executive Independent Director of the Company.

The Special Resolution as contained in the Notice of Postal Ballot dated January 14, 2026 failed to get the requisite majority.

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

In the light of the above, Shri Ramesh Bhujang (DIN: 00194189) shall be deemed to be appointed as an Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- vi. Appointment of Shri Kirit Kamdar (DIN: 06513347) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (05) consecutive years w.e.f April 01, 2026, through Circular Resolution dated March 31, 2026, subject to approval of members of the Company through Special Resolution on or before June 30, 2026
- v. Appointment of Smt. Reena Jha Tripathi (DIN: 11022528) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of first term of 05 (Five) consecutive years w.e.f May 15, 2026 subject to the approval of members of the Company to be taken on or before August 14, 2026.

A resolution seeking member's approval for her appointment as a Non-Executive Independent Director forms a part of the Notice convening the 31st Annual General Meeting of the Company and the same is recommended for the approval of Members.

Cessation:

- i. Smt. Rashmi Prasad (DIN: 10329445), Non-Executive Independent Director of the Company completed her tenure on September 20, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f September 20, 2025.
- ii. Shri Natrajan Ramkrishna (DIN: 06597041), Non-Executive Independent Director of the Company completed his tenure on October 18, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f October 18, 2025.
- iii. Shri Jagdish Belwal (DIN: 08644877), Non- Executive Independent Director of the Company completed his tenure on December 05, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f December 05, 2025.
- vi. Shri Dinesh Kumar Batra (DIN: 08773363), Non-Executive Independent Directors of the Company completed his

tenure on March 31, 2026 and accordingly ceased to be a Non-Executive Independent Director w.e.f March 31, 2026.

Resignation:

After the end of the Financial year under review Shri Kirit Kamdar (DIN: 06513347) Additional Director (Non-Executive Independent Director) has tendered his resignation w.e.f May 06, 2026 due to his other professional commitments.

Governance Code:**Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies the changes during the year, if any. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest by not participating in the said agenda item (s).

Details of Directors and their attendance records for the Board Meetings and Annual General Meeting held during the Financial Year 2025-26

Sr. No.	Name of the Director	Director Identification Number	Category	Attendance		
				Board Meeting	%	Last AGM
1.	Shri Satyanarayan Nuwal	00713547	Chairman and Non-Executive Director	3/4	75%	Present
2.	Shri Manish Nuwal	00164388	Managing Director and CEO	4/4	100%	Present
3.	Shri Suresh Menon	07104090	Executive Director	3/4	75%	Present
4.	Shri Milind Deshmukh	09256690	Executive Director	4/4	100%	Present
5.	Shri Natrajan Ramkrishna ²	06597041	Non-Executive Independent Director	2/2	100%	Present
6.	Shri Jagdish Belwal ³	08644877	Non-Executive Independent Director	3/3	100%	Present
7.	Smt. Rashmi Prasad ¹	10329445	Non-Executive Independent Director	2/2	100%	Present
8.	Shri Dinesh Kumar Batra ⁴	08773363	Non-Executive Independent Director	4/4	100%	Present
9.	Smt. Girija Balakrishnan ⁵	06841071	Non-Executive Independent Director	2/2	100%	N.A.
10.	Shri Viswanathan Lakshmanan ⁶	00193056	Non-Executive Independent Director	2/2	100%	N.A.
11.	Shri Ramesh Bhujang ⁷	00194189	Non-Executive Independent Director	1/1	100%	N.A.

Notes:

1. Smt. Rashmi Prasad (DIN: 10329445), Non-Executive Independent Director of the Company completed her tenure and accordingly ceased to be a Non-Executive Independent Director w.e.f September 20, 2025.
2. Shri Natrajan Ramkrishna (DIN: 06597041), Non-Executive Independent Director of the Company completed his tenure and accordingly ceased to be a Non-Executive Independent Director w.e.f October 18, 2025.
3. Shri Jagdish Belwal (DIN: 08644877), Non- Executive Independent Director of the Company completed his tenure and accordingly ceased to be a Non-Executive Independent Director w.e.f December 05, 2025.
4. Shri Dinesh Kumar Batra (DIN: 08773363), Non-Executive Independent Director of the Company completed his tenure and accordingly ceased to be a Non-Executive Independent Director w.e.f March 31, 2026.
5. Smt. Girija Balakrishnan (DIN: 06841071) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. September 18, 2025.
6. Shri Viswanathan Lakshmanan (DIN: 00193056) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. October 18, 2025.
7. Shri Ramesh Bhujang (DIN: 00194189) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. December 03, 2025.
8. (a) Shri Kirit Kamdar (DIN: 06513347) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f. April 01, 2026.
(b) Shri Kirit Kamdar (DIN: 06513347) has resigned as an Additional Director (Non-Executive Independent Director) w.e.f. May 06, 2026 due to his other professional commitments.
9. Smt. Reena Jha Tripathi (DIN: 11022528) was appointed as an Additional Director (Non-Executive Independent Director) of the Company, w.e.f. May 15, 2026 subject to the approval of shareholders of the Company to be taken on or before August 14, 2026.

2.5 Confirmation from the Board

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

2.6 Profile of the Board of Directors:

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

Directorships and Memberships of Board and Committees as on March 31, 2026:

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (Including SIIL)	Chairmanship in committees of Board (Including SIIL)	Membership in committees of Board (Including SIIL)
1.	Shri Satyanarayan Nuwal	Chairman and Non-Executive Director	2	-	-
2.	Shri Manish Nuwal	Managing Director and CEO	8	-	3
3.	Shri Suresh Menon	Executive Director	4	-	1
4.	Shri Milind Deshmukh	Executive Director	2	-	-
5.	Smt. Girija Balakrishnan	Non-Executive Independent Director	7	3	9
6.	Shri Viswanathan Lakshmanan	Non-Executive Independent Director	3	3	5
7.	³ Shri Ramesh Bhujang	Non-Executive Independent Director	3	1	2
8.	¹ Shri Dinesh Kumar Batra	Non-Executive Independent Director	4	2	4

Notes:

- Shri Dinesh Kumar Batra (DIN: 08773363), Non-Executive Independent Director of the Company completed his tenure and accordingly ceased to be a Non-Executive Independent Director w.e.f March 31, 2026.
- Shri Kirit Kamdar (DIN: 06513347) was appointed as an Additional Director (Non-Executive Independent Director) w.e.f April 01, 2026.
 - Shri Kirit Kamdar (DIN: 06513347) has resigned as an Additional Director (Non-Executive Independent Director) w.e.f May 06, 2026 due to his other professional commitments.
- Shri Ramesh Bhujang (DIN: 00194189) was appointed as the Chairman & Member of Audit Committee w.e.f May 15, 2026.
- Smt. Reena Jha Tripathi (DIN: 11022528) was appointed as an Additional Director (Non-Executive Independent Director) of the Company, May 15, 2026 subject to the approval of shareholders of the Company to be taken on or before August 14, 2026.
- 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, Stakeholder Relationship 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, 2026.

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

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

Global Business Knowledge	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Corporate Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Corporate Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Business Leadership & Management	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Behavioural values	Personal Characteristics matching the Company's values, such as integrity, accountability and high-performance standards.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.

Given below is the chart setting out the skills/ expertise/ competence of the Board of Directors and Names of the Listed Companies wherein the Directors of the Company are Directors:

Sr. No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
1.	Shri Satyanarayan Nuwal	A pioneering first-generation entrepreneur with a strong foundation in Business Management and Corporate Planning, adept at navigating complex business landscapes.	-
2.	Shri Manish Nuwal	A distinguished second-generation entrepreneur and industrialist, recognized for exceptional financial acumen and management capabilities. Possesses strategic insight and extensive experience in directing and empowering management teams to make informed decisions amid uncertainty.	-
3.	Shri Suresh Menon	Comprehensive understanding of the Explosives Industry, with insights into both domestic and international sectors, enhancing competitive advantage.	-
4.	Shri Milind Deshmukh	Deep understanding of Global business dynamics, across various geographical markets and regulatory jurisdictions.	-
5.	Shri Dinesh Kumar Batra ¹	A rich background spanning over 38 years in various aspects of Management including Marketing, Finance, Accounts, Corporate Governance, and Risk Management, he held the esteemed position of Chairman & Managing Director of Bharat Electronics Limited at the time of his retirement in October 2022.	1. Som Distilleries Breweries & Wineries Limited (Non-Executive Independent Director) 2. Precision Electronics Limited (Non-Executive Independent Director)
6.	Smt. Girija Balakrishnan	Her rich experience and specialization of over 31 years in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures and Foreign Collaboration and represented clients before various courts, tribunals and SEBI.	1. INOX India Limited 2. GFL Limited 3. IG Petrochemicals Limited 4. Hercules Investments Limited 5. INDEF Manufacturing Limited
7.	Shri Viswanathan Lakshmanan	He has rich experience of over 42 years in Leadership position across industries (Financial Services, Information Technology, Media and pharma Industry) in India with business dealings across the globe.	1. Indo Count Industries Limited 2. Vinyl Chemicals (India) Limited
8.	Shri Ramesh Bhujang	He has rich experience and specialization of over 40+ years in banking, Industrial development, Project and Infrastructure Finance and Economic Policy. His work has consistently focused on strategic development, commitment and collaborative approach in contributing to institutional objectives	-

Notes:

1. Shri Dinesh Batra (DIN: 08773363) ceased to be an Independent Director upon completion of his tenure w.e.f March 31, 2026.

2.8 Disclosure of relationship between Directors inter-se:

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director is father of Shri Manish Nuwal, Managing Director and CEO of the Company. Other than Shri Satyanarayan Nuwal and Shri Manish Nuwal none of the Directors of the Company are related to any other Director of the Company.

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

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director of the Company, holds 32,38,254 shares in the Company. Except Shri Satyanarayan Nuwal none of the Non-Executive Directors holds any shares in the Company. The Company has not issued any convertible instruments; hence no such instruments are being held by Non-Executive Directors.

2.10 Directors Shareholding as on March 31, 2026:

Sr. No.	Name of Directors	No. of Equity Shares held	% to the paid-up share capital of the Company
1.	Shri Satyanarayan Nuwal	32,38,254	3.58%
2.	Shri Manish Nuwal	3,52,32,069	38.93%
3.	Shri Suresh Menon	768	0.00%
4.	Shri Milind Deshmukh	Nil	0.00%

Notes:

- During the financial year ended March 31, 2026, no equity shares were held by the Independent Directors of the Company.

2.11 Code of Conduct for Board Members and Senior Management

The Board of Directors laid down a Code of Conduct for all the board members and senior management of the Company. This code has been posted on the website of the Company at www.solargroup.com.

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

2.12 Code of Conduct for Employees

The Company has adopted Professional Standards & Business Ethics Policy for Employees which provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all, and to avoid practices like bribery, corruption and anti-competitive practices.

Employees are mandated to undergo video-based training modules and case studies embodying real-life examples upon joining the organisation as a part of their induction.

2.13 Performance Evaluation

In terms of the requirements of the Act and the SEBI Listing Regulation, 2015 the Board is required to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee has developed a structured assessment process for Board evaluation. The Nomination and Remuneration Committee has devised the criteria for evaluation of the performance of the Board, Committees, and individual Directors, including the Independent Directors. The said criteria specify certain parameters like attendance, acquaintance with business, communication inter-se between board members, effective participation, domain knowledge, compliance with code of conduct, vision, and strategy, etc. which is in compliance with applicable laws, regulations, and guidelines.

The process has been designed to measure the effectiveness of the Board by evaluating the functioning of the Board, its Committees, and individual Directors annually. 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, Stakeholders Relationship, CSRS Committee and Risk Management Committee.

This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board.

Synopsis of outcome of evaluations for the financial year 2025-26:

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

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

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

3. SECOND LAYER COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees form an integral part of the Company's governance framework and have been constituted to oversee specific functions and matters that require focused attention, as prescribed under applicable regulations. These Committees support the Board in discharging its responsibilities effectively and in upholding robust corporate governance practices. The composition and terms of reference of all Committees are in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

During the year under review, all recommendations made by the respective Committees were duly accepted by the Board.

The minutes of the Committee meetings are circulated to the Committee members and placed before the Board at its meetings for noting. The observations, recommendations and decisions of the Committees are placed before the Board for information or approval, as required. The Committees may, whenever considered necessary, invite special invitees to attend their meetings.

The Company has Seven Board Level Committees, namely:

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

- Executive Committee
- Investment Committee

3.1 Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, 2015. The Audit Committee of the Board comprises of 04 (Four) members as of March 31, 2026. All Members of the Audit Committee are financially literate.

Besides, having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as the link between Statutory and Internal Auditor and the Board of Directors of the Company.

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.	A
2.	Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment	P
3.	Approving payment to statutory auditors, including cost auditors for any other services rendered by them.	P
4.	Reviewing with the management, the annual financial statements and auditors report thereon before submission to the board for approval with particular reference to:	A
a.	Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.	A
b.	Changes, if any, in accounting policies and practices and reasons for the same.	A
c.	Major accounting entries involving estimates based on the exercise of judgment by the management.	A
d.	Significant adjustments made in financial statements arising out of audit findings.	A
e.	Compliance with listing and other legal requirements relating to financial statements.	Q
f.	Disclosure of related party transactions.	Q
g.	Modified opinion/Qualification (s) in draft audit report.	A
5.	Reviewing with the management the quarterly financial statements before submission to the Board for approval.	Q
6.	Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.	Q
7.	Approval or any subsequent modification of transactions of the Company with related parties.	P
8.	Scrutiny of inter-corporate loans and investments.	Q
9.	Valuation of undertakings or assets of the Company, wherever it is necessary.	P
10.	Evaluation of internal financial controls and risk management systems.	A
11.	Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems	P
12.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.	Q/P
13.	Discussion with internal auditors, any significant findings and follow-up thereon.	Q/P
14.	Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.	Q/P
15.	To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.	P
16.	To review the functioning of the Whistle Blower mechanism.	P
17.	Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.	E
18.	Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.	A

Frequency:



Annually



Quarterly



Periodically



Event-based

During the year the Company has reviewed the Charter of Audit Committee. The detailed terms of reference is available on the website of the Company at www.solargroup.com.

M/s Protiviti India Member Private Limited represented by Shri Sachin Maloo, Managing Director performed the Internal Audit function of the Group for the Financial Year 2025-26.

B. Meetings during the year:

The Audit Committee met 04 (Four) times during the year under review. The Committee meetings were held on May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026. The necessary quorum was present for all the meetings. The maximum gap between any two meetings of the Audit Committee was less than one hundred and twenty days.

C. Composition and Attendance of Audit Committee as on March 31, 2026

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% Attendance at the Meeting
1	Shri Dinesh Kumar Batra ⁴	Chairman	Non-Executive Independent Director	1/1	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Smt. Girija Balakrishnan ⁵	Member	Non-Executive Independent Director	2/2	100%
4.	Shri Viswanathan Lakshmanan ⁶	Member	Non-Executive Independent Director	2/2	100%

Notes:

1. Smt. Rashmi Prasad ceased to be the member of the Committee w.e.f September 20, 2025 upon completion of her tenure as an Independent Director. She had attended all the meetings of the committee held upto September 20, 2025.
2. Shri Natrajan Ramkrishna ceased to be the chairman of the Committee w.e.f October 18, 2025 upon completion of his tenure as an Independent Director. He had attended all the meetings of the committee held upto October 18, 2025.
3. (a) Shri Jagdish Belwal was appointed as the Chairman of the committee w.e.f. October 18, 2025.
(b) Ceased to be the Chairman of the Committee with effect from December 05, 2025 upon completion of his tenure as the Independent Director. He had attended all the meetings of the committee held upto December 05, 2025.
4. (a) Appointed as the chairman of the committee w.e.f December 4, 2025.
(b) Ceased to be the chairman of the Committee with effect from March 31, 2026 upon completion of his tenure as the Independent Director. He had attended all the meetings of the committee held upto March 31, 2026.
5. Appointed as the member of the committee w.e.f. September 18, 2025.
6. Appointed as the member of the committee w.e.f. October 18, 2025.
7. (a) Appointment of Shri Kirit Kamdar as a member and chairman of the audit committee w.e.f April 01, 2026.
(b) Shri Kirit Kamdar has tendered his resignation as an Additional Director of the Company w.e.f May 06, 2026.
8. Shri Ramesh M. Bhujang appointed as the member and chairman of the committee w.e.f May 15, 2026.

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

The Chairman of the Audit Committee, Shri Natrajan Ramkrishna was present at the 30th Annual General Meeting of the Company held on July 22, 2025.

The Statutory Auditors of the Company are invited to attend and participate at the meetings of the Audit Committee. The members of the Audit Committee are financially literate and have relevant experience in financial management.

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

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015.

The Nomination and Remuneration Committee of the Board comprises of 03 (Three) members as of March 31, 2026.

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

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

The principal scope / role also include review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same. The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board.

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	Review and recommend the structure, size and composition of the Board and its Committees.	P/E
2.	Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;	P
3.	To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such an evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates	A
4.	To devise a policy on diversity of board of directors.	P
5.	To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the board of directors their appointment and removal.	P
6.	To determine 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.	E
7.	Recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company and periodically review the same. The Nomination and Remuneration Committee, while formulating the policy, should ensure that: - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; ad - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;	P
8.	Determine and recommend to the Board the remuneration payable to the Directors of the Company and the Senior Management and Key Managerial Personnel of the Company.	A
9.	Recommend to the board, all remuneration, in whatever form, payable to senior management.	A
10.	To establish and oversee, the process of annual evaluation, including self-evaluation, of the Board, its Committees and Directors.	A
11.	To annually review its own performance and present the results to the Board	A
12.	Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.	E
13.	Undertake any other matters as the Board may decide from time to time	E

Frequency:



During the year the Company has reviewed the Charter of Nomination and Remuneration Committee and Nomination and Remuneration Policy. The detailed terms of reference and Nomination and Remuneration Policy are available on the website of the Company at www.solargroup.com.

B. Meetings during the year:

The Nomination and Remuneration Committee met 02 (Two) times during the year under review. The Committee meetings were held on May 20, 2025, and August 07, 2025. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Nomination and Remuneration Committee as on March 31, 2026

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	% Attendance at the meeting
1.	Shri Dinesh Kumar Batra ²	Member/Chairman	Non-Executive Independent Director	2/2	100%
2.	Shri Viswanathan Lakshmanan ⁴	Member	Non-Executive Independent Director	-	-
3.	Smt. Girija Balakrishnan ⁵	Member	Non-Executive Independent Director	-	-

Notes:

- Shri Natrajan Ramkrishna ceased to be the Chairman of the Committee w.e.f. w.e.f October 18, 2025 upon completion of his tenure as an Independent Director. He had attended all the meetings of the committee held upto October 18, 2025.
- Appointed as the Chairman of the Committee w.e.f October 18, 2025
 - Ceased to be the member & chairman of the Committee with effect from March 31, 2026 upon completion of his tenure as the Independent Director.
- Shri Jagdish Belwal Ceased to be a member of the Committee w.e.f. w.e.f December 05, 2025 upon completion of his tenure as an Independent Director. He had attended all the meetings of the committee held upto December 05, 2025.
- Appointed as the Member of the Committee w.e.f. October 18, 2025
- Appointed as the Member of the Committee w.e.f. December 04, 2025
- Appointment of Shri Ramesh M. Bhujang as a member and chairman of the Nomination and Remuneration Committee w.e.f April 01, 2026.

The Chairman of the Nomination and Remuneration Committee Shri Natrajan Ramkrishna was present at the 30th Annual General Meeting of the Company held on July 22, 2025.

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

D. Remuneration Policy**1. Remuneration to Executive Directors**

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

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee has approved the "Solar group long term incentive plan 2023" with the twin objectives of driving performance and retaining its key employees/management team.

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

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

E. Remuneration paid to Executive Directors

The remuneration paid to the Executive Directors during the F.Y. 2025-26 is as below:

(₹ in Crores)										
Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
1.	Shri Manish Nuwal- Managing Director & CEO	6.01	32.5	0.08	As per policies and rules of the Company	-	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	As per the rules of the Company	N.A.

(₹ in Crores)

Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
2.	Shri Suresh Menon- Executive Director	1.51	-	0.02	As per policies and rules of the Company	-	0.22 Performance linked incentives is based on the "Solar group long term incentive plan 2023" and as may decided by the Board from time to time.	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	As per the rules of the Company	N.A.
3.	Shri Milind Deshmukh- Executive Director	1.15	-	0.02	As per policies and rules of the Company	-	0.13 Performance linked incentives is based on the "Solar group long term incentive plan 2023" and as may decided by the Board from time to time.	Performance criteria is based on the performance of the Company and as may decided by the Board from time to time.	As per the rules of the Company	N.A.

F. Non-Executive/ Independent Directors Remuneration:

- The Chairman of the Company is a Non-Executive Director.
- There were no pecuniary transactions with any Non- Executive Independent Director of the Company.
- The criteria for making payment to Non-Executive Independent Directors is available on the website of the Company i.e. www.solargroup.com.
- The Non-Executive Independent Directors were only paid sitting fees for attending Board and Committee meetings for the Financial Year 2025-26. None of the Non-Executive Independent Directors held any share in the Company.
- No Remuneration was paid to Shri Satyanarayan Nuwal, under the Designation, Chairman & Non-Executive Director of the Company.
- No stock options were issued by the Company during the year under report.

The sitting fees (Remuneration) paid to Non-Executive Independent Directors during the Financial Year 2025-26 is as below:

Remuneration paid to Non-Executive Independent Directors during the Financial Year 2025-26

Sr. No.	Non-Executive Directors	Sitting Fees (Amount in ₹)
1.	Shri Natrajan Ramkrishna	₹ 7,00,000/-
2.	Shri Jagdish Belwal	₹ 14,20,000/-
3.	Smt. Rashmi Prasad	₹ 5,00,000/-
4.	Shri Dinesh Batra	₹ 8,00,000/-
5.	Smt. Girija Balakrishnan	₹ 5,40,000/-
6.	Shri Viswanathan Lakshmanan	₹ 5,00,000/-
7.	Shri Ramesh Bhujang	₹ 1,00,000/-

Notes:

- Smt. Girija Balakrishnan (DIN: 06841071) and Shri Viswanathan Lakshmanan (DIN: 00193056) were appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. September 18, 2025 and October 18, 2025 respectively.
- Shri Ramesh Bhujang (DIN: 00194189) was appointed as an Additional director (Non-Executive Independent Director) of the Company w.e.f. December 03, 2025.
- Smt. Rashmi Prasad (DIN: 10329445), Non-Executive Independent Director of the Company completed her tenure on September 20, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f. September 20, 2025.
- Shri Natrajan Ramkrishna (DIN: 06597041), Non- Executive Independent Director of the Company completed his tenure on October 18, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f. October 18, 2025.
- Shri Jagdish Belwal (DIN: 08644877), Non- Executive Independent Director of the Company completed his tenure on December 05, 2025 and accordingly ceased to be a Non-Executive Independent Director w.e.f. December 05, 2025.
- Shri Dinesh Kumar Batra (DIN: 08773363), Non-Executive Independent Directors of the Company completed his tenure on March 31, 2026 and accordingly ceased to be a Non-Executive Independent Director w.e.f. March 31, 2026
- The above figures are inclusive of fees paid for attendance at Committee meetings.

G. Succession planning:

At Solar, "It's not about having people...it's about having the right people, in the right place, at the right time." The Company places great importance on having well-structured succession plans for senior leadership, as they are vital for ensuring a strong and resilient future. The Nomination and Remuneration Committee collaborates closely with the Board to develop a comprehensive leadership succession strategy, facilitating smooth transitions in appointments to both the Board and senior management positions.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. In addition, promoting Senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

3.3 Stakeholders Relationship Committee:

The Stakeholders Relationship Committee (hereinafter referred as "SRC") is constituted in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, 2015.

The Stakeholders Relationship Committee of the Board comprises of 03 (Three) members as of March 31, 2026.

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

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	To consider and ensure resolution of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new/duplicate share certificates, general meetings etc.	Q
2.	To monitor and review any investor grievances received by the Company through SEBI, BSE, NSE or SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and Registrar and Share Transfer Agent of the Company.	Q
3.	To consider and review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent ('RTA');	E
4.	To consider and review the measures taken for effective exercise of voting rights by shareholders;	E
5.	To consider and review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed / unpaid dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;	E
6.	To review compliance relating to all securities including dividend payments, transfer of unclaimed amounts or shares to the Investor Education and Protection Fund;	P
7.	To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance;	P
8.	Perform such other functions as may be necessary or appropriate for the performance of its duties such as	
a.	Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.	Q
b.	Review of measures taken for effective exercise of voting rights by shareholders	P
c.	Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent	P
d.	Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company	P
9.	Carry out any other function as is referred to by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.	E
10.	To perform such other functions or duties as may be required under the relevant provisions of SEBI Listing Regulations and the Act read with rules made thereunder and as may be specifically delegated to the Committee by the Board from time to time	E

Frequency:

During the year the Company has reviewed the Charter of Stakeholder Relationship Committee. The detailed terms of reference is available on the website of the Company at www.solargroup.com.

B. Meetings during the Year:

The Stakeholders Relationship Committee met 04 (Four) times during the year under review. The Committee meetings were held May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Stakeholders Relationship Committee as on March 31, 2026:

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

Notes:

1. Shri Jagdish Belwal ceased to be the Chairman of the Committee w.e.f. December 05, 2025 upon completion of his tenure as an Independent Director. He had attended all the meetings of the committee held upto December 05, 2025.
2. Appointed as the Member and Chairman of the Committee w.e.f. December 04, 2025.

The Chairman of the Stakeholders Relationship Committee Shri Jagdish Chandra Belwal was present at the 30th Annual General Meeting of the Company held on July 22, 2025.

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

A. Nature of Complaints and Redressal Status as on March 31, 2026:

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the Financial Year 2025-26	1*
Number of Complaints received during the Financial Year 2025-26	0
Number of Complaints redressed during the Financial Year 2025-26	0
Complaints pending at the end of the Financial Year 2025-26	1

*Shri Kailashchandra Nuwal & others had instituted proceedings by way of captioned Company petition, before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") under Section 241-242 of the Companies Act, 2013. In the said petition they had also sought certain interim reliefs.

In September 2020, the parties had advanced their respective arguments before the Hon'ble NCLT and the matter was reserved for orders on September 15, 2020. The Hon'ble NCLT pronounced its order through a virtual hearing on February 09, 2021. By way of the said order, the Hon'ble NCLT has allowed the following reliefs:

- a) "That Respondents by themselves or through their servants, officers and agents be restrained by an order of injunction from acting in furtherance of or implementation of or pursuant of the notice dated 30/07/2020 and intimation of vacation of office made by R1 to the BSE and NSE dated 30/07/2020.
- b) That Respondents by themselves and/or through their servants, officers and agents be restrained from interfering and obstructing the Applicant No. 1 from acting as Director and Vice Chairman of R1 Company."

Solar Industries India Ltd. had filed an appeal against the order of the Hon'ble NCLT dated February 09, 2021 ("Impugned Order") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 22, 2021.

On February 25, 2021, after hearing the matter, the Hon'ble NCLAT stayed the operation of the impugned order of Hon'ble NCLT dated February 9, 2021.

On December 14, 2021, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") pronounced its final order ("Impugned Order"), in the Appeal No. 29/2021 filed by Solar Industries India Limited ("the Company") against the order dated February 9, 2021 passed by the Hon'ble National Company Law Tribunal ("NCLT") in IA No. 1054/MB/2020 filed in CP. 1069/ MB/2020. By way of this Impugned Order, the Hon'ble NCLAT had dismissed the appeal filed by the Company.

The Company had filed Civil Appeal no. 182/2022, against the Impugned Order of the Hon'ble NCLAT before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court virtually on January 10, 2022. After considering the submissions of the parties, the Hon'ble Supreme Court has passed an interim order as follows;

Meanwhile, considering the facts and circumstances of this case, it is directed that the operation of the impugned orders of NCLT dated February 9, 2021 and NCLAT dated December 14, 2021 shall remain stayed till the next date of hearing.

The Civil Appeal was listed before the Hon'ble Supreme Court on August 26, 2025. After considering the submissions of the parties, the Hon'ble Supreme Court noted that the term of the directorship of Shri Kailash Chandra Nuwal, the Company's erstwhile director, from April 1, 2016 to March 31, 2021, had expired. In view of the same, the Hon'ble Supreme Court disposed of the Civil Appeal.

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 and Sustainability Committee

SOLAR's vision is to actively contribute to the social and economic development of the communities in which we operate. In so doing, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

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

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

A. Extract of Terms of Reference:

Sr. No.	Terms of Reference	Frequency
1.	The Committee shall annually review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.	P
2.	The Committee shall ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.	P
3.	The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.	P
4.	The Committee will 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.	E/P
5.	The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.	A
6.	The Committee shall look into significant sustainability (ESG) related policies, strategies and activities of the Company in a manner that integrates environmental, social and ethical principles with the conduct of business	P
7.	The Committee shall provide vision and guidance to the Management to ensure that all long-term business proposals made to the Board are assessed through the lens of 4 social, Environment, Safety, Health, and reputational implications – including governance and associated risks and opportunities.	P
8.	The Committee shall review the Company's initiatives and programs from time to time.	P
9.	The Committee shall formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time. The Committee shall recommend the CSR annual action plan and any modification(s) thereto during the financial year, for the approval of the Board from time to time.	A
10.	The CSR committee shall review the impact assessment report(s) (if any), and place them before the Board	
11.	The Committee shall monitor the identification and implementation of multi-year projects / programs ("Ongoing Projects"). The Committee shall recommend to the Board modifications, if any, for the smooth implementation of the Ongoing Projects within the overall legally permissible time period. The Committee may also recommend to the Board, after providing reasonable justification, that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project	A
12.	The Committee shall monitor the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds.	Q
13.	Where the Company spends an amount in excess of its prescribed CSR expenditure during a financial year, the Committee may make a recommendation to the Board for setting off the excess amount spent against CSR spend of the financial year(s) following the year of excess spend.	A
14.	The Committee may form and delegate authority to subcommittees when appropriate.	E
15.	The Committee shall regularly report to the Board.	

Frequency:



During the year the Company has reviewed the Charter of Corporate Social Responsibility and Sustainability Committee.

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

B. Meetings during the Year:

The Corporate Social Responsibility and Sustainability Committee met 04 (Four) times during the year under review. The Committee meetings were held on May 20, 2025, August 07, 2025, November 10, 2025 and February 03, 2026. The necessary quorum was present for all the meetings.

C. Composition and Attendance of Corporate Social Responsibility and Sustainability Committee as on March 31, 2026:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Satyanarayan Nuwal	Chairman	Chairman and Non-Executive Director	2/4	50%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Smt. Girija Balakrishnan ²	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Shri Jagdish Belwal ceased to be the Member of the Committee w.e.f. December 05, 2025 upon completion of his tenure as the Independent Director. He had attended all the meetings of the committee held upto December 05, 2025.
2. Appointed as the Member of the Committee w.e.f. December 04, 2025.

The Chairman of the Corporate Social Responsibility Committee Shri Satyanarayan Nuwal was present at the 30th Annual General Meeting of the Company held on July 22, 2025.

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

3.5 Risk Management Committee

The Risk Management Committee (hereinafter referred as "RMC") is constituted in compliance with Regulation 21 of the Listing Regulations, 2015.

The Committee is constituted with an objective to assist the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance and control financials have been identified, assessed and adequate risks mitigation control are in place. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize risks as also to identify business opportunities.

Solar's risk assessment matrix is used as the benchmark in planning and implementing the risk management measures. It takes into consideration the nature, scale and complexity of the business. The Members of the Committee are drawn from the Members of the Board and Senior Executive of the Company. The Company Secretary of the Company acts as the Secretary to the committee.

A. Terms of reference:

Sr. No.	Terms of Reference	Frequency
1.	To formulate a detailed risk management policy which shall include:	
a.	A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.	P
b.	Measures for risk mitigation including systems and processes for internal control of identified risks.	Q
c.	Business continuity plan.	P
2.	To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.	Q
3.	To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.	P
4.	To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.	P
5.	To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.	A

Sr. No.	Terms of Reference	Frequency
6.	Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.	P
7.	Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.	P
8.	Nurture a healthy and independent risk management function in the Company.	P
9.	Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.	E
	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.	A

Frequency:

During the year under review the Company has reviewed the charter of Risk Management Committee and Risk Management Policy. The detailed terms of references are available on the website of the Company at www.solargroup.com.

B. Meetings during the Year:

The Risk Management Committee met 02 (Two) times during the year under review. The Committee meetings were held on April 09, 2025 and October 31, 2025.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Risk Management Committee as on March 31, 2026:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	0/2	-
2.	Shri Suresh Menon	Member	Executive Director	1/2	50%
3.	Shri Milind Deshmukh	Member	Executive Director	2/2	100%
4.	Shri Natrajan Ramkrishna ¹	Member	Non-Executive Independent Director	1/1	100%
5.	Shri Jagdish Belwal ²	Member	Non-Executive Independent Director	2/2	100%
6.	Shri Moneesh Agrawal	Member	Joint Chief Financial Officer	2/2	100%
7.	Smt. Shalinee Mandhana	Member	Joint Chief Financial officer	1/2	50%
8.	Smt. Rashmi Prasad ³	Member	Non-Executive Independent Director	1/1	100%
9.	Shri Ashish Khole	Member	Senior General Manager-HR	1/2	50%
10.	Shri Paresh Patel	Member	Senior Manager - IT	2/2	50%
11.	Smt. Girija Balakrishnan ⁴	Member	Non-Executive Independent Director	1/1	100%
12.	Shri Dinesh Batra ⁵	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Ceased to be the member of the Committee w.e.f October 18, 2025 upon completion of his tenure as the Independent Directors.
2. Ceased to be the member of the Committee w.e.f December 05, 2025 upon completion of his tenure as the Independent Directors.
3. Ceased to be the member of the Committee w.e.f September 20, 2025 upon completion of her tenure as the Independent Directors.
4. Appointed as the member of the committee w.e.f September 18, 2025.
5. (a) Appointed as the member of the Committee w.e.f October 18, 2025
(b) Ceased to be the Member of the Committee with effect from March 31, 2026 upon completion of his tenure as the Independent Director.
6. Shri Ramesh Bhujang appointed as the member of the committee w.e.f December 04, 2025.
7. Smt. Reena Jha Tripathi appointed as the member of the Committee w.e.f May 15, 2026.
8. Shri Avinash Gupta appointed as the Chief Risk Officer of the Company and the member of the Committee w.e.f May 15, 2026.

The Chairman of the Risk Management Committee Shri Manish Nuwal was present at the 30th Annual General Meeting of the Company held on July 22, 2025. The Company Secretary & Compliance Officer of the Company acts as the Secretary to the committee.

3.6 Executive Committee:

The Executive Committee was constituted, with an objective to manage the day-to-day operations of the Company in a smooth way. The Executive Committee looks after day-to-day business of the company like planning, corporate governance, finance, audit, human resources, occupational health and safety, operational issues, performance monitoring, stakeholder management and takes decisions on matters requiring immediate attention.

The Executive Committee is comprised of Executive Director(s) and Senior Managerial Personnel of the Company. The Managing Director and CEO of the Company are the Chairman of Executive Committee.

A. Extract of Terms of reference:

Sr. No.	Terms of Reference	Frequency
1.	Reviewing strategic and operational plan of the Company and advising on its execution to the Management and Executives.	P
2.	Advising the management and executives on implementing the Company's laid down policies and ensuring that those policies are strictly adhered.	P
3.	Review the Company's financial policies, risk assessment and mitigation plans, capital strategies and structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable.	P
4.	Ensuring that all approvals of finance arrangements are in place, finance for operations is available on time and at the best rate, financial compliances are being done.	P
5.	To oversee the adequacy and effectiveness of policies and programs in order to ensure the Company's compliance with laws and regulations applicable to business.	P
6.	Overseeing that the human resources are efficiently and effectively managed and monitoring all activities with feedback contributing to the continuous improvement in governance.	P
7.	Ensure compliance with applicable pollution and environmental laws at the Company's works / factories / locations by putting in place effective systems in this regard and review the same periodically.	P
8.	Guiding the management and executives whenever required on day to day administration.	P

Frequency:



B. Meetings during the Year:

The Committee met 17 (Seventeen) times during the year under review.

The Committee meetings were held on April 01, 2025, May 19, 2025, July 07, 2025, July 22, 2025, August 01, 2025, August 20, 2025, September 13, 2025, September 26, 2025, October 15, 2025, October 31, 2025, December 01, 2025, December 08, 2025, December 22, 2025, January 05, 2026, January 09, 2026, March 05, 2026 and March 30, 2026.

The necessary quorum was present for all the meetings.

C. Composition and Attendance of Executive Committee as on March 31, 2026:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended	% Attendance at the meeting
1.	Shri Manish Satyanarayan Nuwal	Chairman	Managing Director & CEO	16/17	94%
2.	Shri Suresh Menon	Member	Executive Director	17/17	100%
3.	Shri Milind Deshmukh	Member	Executive Director	12/17	70%

3.7 Investment Committee

The Investment Committee was constituted, with an objective to evaluate and scrutinize the significant investments/funding opportunities including but not limited to business acquisitions, reviewing and monitoring existing investments in subsidiaries, joint ventures and other companies and making necessary recommendations to the Board from time to time including disinvestments.

The Investment Committee comprises of Executive Director(s) and Senior Managerial personnel of the Company. The Managing Director and CEO of the Company is the Chairman of Investment Committee.

A. Terms of Reference

Sr. No.	Terms of Reference	Frequency
1.	To evaluate, scrutinize and consider the strategic and/or long-term investments, loans, guarantees, acquisitions or divestments by the Company in other legal entity as per the specified threshold approved by the Board.	P
2.	To evaluate, scrutinize and consider the strategic and/or long-term investments, loans, guarantees, acquisitions or divestments by any of Solar's subsidiaries in any legal entity outside Solar Group as per specific threshold approved by the Board.	P
3.	To conduct post investment evaluation of investment projects.	P
4.	To review on the implementation and progress of projects.	P
5.	Monitoring short term and long-term strategic priorities of the company.	P
6.	To Approve entry into new industries (greenfield, acquisition of majority stake or path to majority).	P

Frequency:**B. Meetings during the year**

The Investment Committee met once during the year under review. The Committee meeting were held on February 02, 2026.

C. Composition and Attendance of Investment Committee as on March 31, 2026

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

4. COMMITTEE MINUTES:

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

5. COMPLIANCE OFFICER:

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

6. PARTICULARS OF SENIOR MANAGEMENT AND CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR IS AS UNDER:

The senior management of the Company comprises of the following:

Name of Senior Management Personnel (SMP)	Designation	Changes if any, during the year 2025-26 (Yes / No)	Nature of change and Effective date
Shri Manish Nuwal	Managing Director & CEO	No	N.A.
Shri Suresh Menon	Executive Director	No	N.A.
Shri Milind Deshmukh	Executive Director	No	N.A.
Shri Moneesh Agrawal	Joint Chief Finance Officer	No	N.A.
Smt. Shalinee Mandhana	Joint Chief Finance Officer	No	N.A.
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	No	N.A.
Shri Ashish Kumar Srivastava	Senior General Manager	No	N.A.

Name of Senior Management Personnel (SMP)	Designation	Changes if any, during the year 2025-26 (Yes / No)	Nature of change and Effective date
Shri Manoj Kumar Singh	Senior General Manager	No	N.A.
Shri Purushottam Pundlikrao Deotare	Senior General Manager	No	N.A.
Shri Ashish Khole	Senior General Manager - HR	No	N.A.
Shri Manoj Kumar Lalwani	Senior General Manager	No	N.A.
Shri Hemant Tepale	General Manager	No	N.A.
Shri Shailendra Tiwari	Chief Information Officer - IT	No	N.A.
Shri Femin Benedict	Senior General Manager	No	N.A.

7. THIRD LAYER GOVERNANCE BY SHAREHOLDERS:

a) General Meetings:

Details of the Last Three Annual General Meetings (AGMs) of the Company and summary of Special Resolution(s) are as under:

Financial Year(s)	No. of Meeting	Date & Time	Venue	Special Resolution(s) failed to get the requisite majority
2024-2025	30 th AGM	July 22, 2025 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road Nagpur - 440023	1. Alteration of Articles of Association ("AOA") of the Company.
2023-2024	29 th AGM	July 18, 2024 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road Nagpur - 440023	2. Alteration of Articles of Association ("AOA") of the Company.
2022-2023	28 th AGM	June 21, 2023 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road Nagpur- 440023	1. Re-appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company. 2. Alteration of Articles of Association ("AOA") of the Company. 3. Increase in limits of Borrowings u/s 180 (1) (c) of the Companies Act 2013. 4. Increase in limits of providing Security u/s 180 (1) (a) of the Companies Act 2013 in connection with the borrowing of the company.

b) Whether Special resolutions were put through Postal Ballot last year?

Yes, The Company has sought the approval of the Shareholders through Postal Ballot Notices dated November 10, 2025 and January 14, 2026 for the special resolution(s).

I. Appointment of Smt. Girija Balakrishnan (DIN: 06841071) as an Independent Director of the company.

The details of the voting on the resolution as per Scrutinizer's Report is as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,29,52,017	95.11%	3,64,75,509	2,64,76,508	57.94%	42.06%
	Total	6,61,91,271	6,29,52,017	95.11%	3,64,75,509	2,64,76,508	57.94%	42.06%
Public-Institutions	Remote E-Voting	1,92,16,063	1,70,15,433	88.55 %	1,49,55,752	20,59,681	87.90 %	12.10 %
	Total	1,92,16,063	1,70,15,433	88.55 %	1,49,55,752	20,59,681	87.90 %	12.10 %

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Public- Non-Institutions	Remote E-Voting	50,82,721	7,93,538	15.61 %	7,93,099	439	99.94 %	0.06 %
	Total	50,82,721	7,93,538	15.61 %	7,93,099	439	99.94 %	0.06 %
Total		9,04,90,055	8,07,60,988	89.25 %	5,22,24,360	2,85,36,628	64.67 %	35.33 %
Whether resolution passed or not								NO

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

In light of the above, Smt. Girija Balakrishnan (DIN: 06841071) shall be deemed to be appointed as a Non - Executive Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

II. Appointment of Shri Viswanathan Lakshmanan (DIN:00193056) as an Independent Director of the company.

The details of the voting on the resolution as per Scrutinizer's Report is as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,29,52,017	95.11%	3,64,75,509	2,64,76,508	57.94%	42.06%
	Total	6,61,91,271	6,29,52,017	95.11%	3,64,75,509	2,64,76,508	57.94%	42.06%
Public-Institutions	Remote E-Voting	1,92,16,063	1,70,15,433	88.55 %	1,70,13,968	1,465	99.99 %	0.01 %
	Total	1,92,16,063	1,70,15,433	88.55 %	1,70,13,968	1,465	99.99 %	0.01 %
Public- Non-Institutions	Remote E-Voting	50,82,721	7,93,479	15.61 %	7,93,025	454	99.94 %	0.06 %
	Total	50,82,721	7,93,479	15.61 %	7,93,025	454	99.94 %	0.06 %
Total		9,04,90,055	8,07,60,929	89.25 %	5,42,82,502	2,64,78,427	67.21 %	32.79 %
Whether resolution passed or not								NO

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

In light of the above, Shri Viswanathan Lakshmanan (DIN:00193056) shall be deemed to be appointed as a Non - Executive Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

III. Appointment of Shri Ramesh Madhavrao Bhujang (DIN: 00194189) as an Independent Director of the company.

The details of the voting on the resolution as per Scrutinizer's Report is as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
	Total	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
Public-Institutions	Remote E-Voting	1,90,34,183	1,72,03,108	90.38%	1,31,72,544	40,30,564	76.57%	23.43%
	Total	1,90,34,183	1,72,03,108	90.38%	1,31,72,544	40,30,564	76.57%	23.43%
Public- Non-Institutions	Remote E-Voting	52,64,600	6,75,663	12.83%	6,75,052	611	99.91%	0.09%
	Total	52,64,600	6,75,663	12.83%	6,75,052	611	99.91%	0.09%
Total		9,04,90,055	8,40,70,042	92.90%	5,35,62,359	3,05,07,683	63.71%	36.29%
Whether resolution passed or not								NO

Notes: Pursuant to sub-regulation 2A of Regulation 25 of SEBI Listing Regulations, 2015, where a special resolution for the appointment of an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the

resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an Independent Director shall be deemed to have been made under sub-regulation (2A).

In light of the above, Shri Ramesh Madhavrao Bhujang (DIN: 00194189) shall be deemed to be appointed as a Non - Executive Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations

c) Procedure for Postal Ballot:

- i. The Board of Directors of the Company at its meeting held on November 10, 2025 & Circular Resolution dated on January 14, 2026 approved the proposal to conduct Postal Ballot by remote E-voting process pursuant to Section 110 of the Companies Act, 2013, Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014.
- ii. Shri Manish Nuwal, Managing Director & CEO, was authorized to receive and countersign the Scrutinizer's Report and declare the voting results of the Postal Ballot on behalf of the Company.
- iii. The Company engaged the services of National Securities Depository Limited for providing Remote E-voting facility to the Members.
- iv. Shri Tushar Pahade, Proprietor at M/s T. S. Pahade & Associates Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot through remote e-Voting in a fair and transparent manner.
- v. (a) The Postal Ballot Notice along with an explanatory statement was sent only through E - mail on November 17, 2025 to those Members whose name(s) appeared on the Register of Members/list of Beneficial Owners as on the Cut-off Date i.e. Tuesday, November 11, 2025 .
- (b) The Postal Ballot Notice along with an explanatory statement was sent only through E - mail on January 23, 2026 to those Members whose name(s) appeared on the Register of Members/list of Beneficial Owners as on the Cut-off Date i.e. Friday, January 16, 2026.
- vi. Based on the analysis of the votes received, the Scrutinizer submitted his Report dated December 18, 2025 & February 24, 2026 respectively to Shri Manish Nuwal, Managing Director & CEO of the Company.
- vii. The Voting Results and Scrutinizer's Report had been submitted to the Stock Exchanges and uploaded on the website of the Company on December 18, 2025 & February 24, 2026.

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

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

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

8. MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under the SEBI Listing Regulations, 2015. Such timely disclosures indicate the good Corporate Governance practices of the Company. For this purpose, there are multiple channels of communication.

8.1 Publication of Financial Results

The Financial Results of the Company are published in accordance with the requirements of the SEBI Listing Regulations, 2015. The Company's Quarterly, Half-yearly and Annual Financial results are published in leading newspapers such as, Business Standards (All Editions) and Loksatta (Nagpur Edition).

8.2 Website and News Releases

In compliance with Regulation 46 of the SEBI Listing Regulations, 2015 a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of the Listing Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half-yearly/ Nine-months and Annual financial results along with the applicable policies of the Company.

The official news releases along with quarterly results are generally sent to Stock Exchanges and available on the Company's website i.e. www.solargroup.com

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

8.3 Earning conference calls and presentations to Institutional Investors/Analysts

During the financial year 2025-26, detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results after declaration of financial results and are sent to the Stock Exchanges.

These calls are attended by the Managing Director & CEO, Joint Chief Financial Officers and representative of Finance Department. These presentations, video recordings and transcripts of the meetings are available on the website of the Company. No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.

8.4 Company's Corporate Website

The Company's website is a comprehensive reference on Solar's Management, vision, mission, policies, corporate governance, corporate sustainability, investor relations etc. The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and Share transfer Agents and Debenture Trustees.

8.5 Annual Report

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

8.6 Chairman's Communique

A copy of the speech to be given by the Chairman at the AGM will be uploaded on the website of the Company i.e. www.solargroup.com

8.7 Designated exclusive email-id and other communication channels for investors

The Company addressed various investor-centric letters/ E-mails/SMS to its shareholders during the year. This includes reminders for claiming unclaimed/ unpaid dividend from the Company; claiming shares lying in unclaimed suspense account with the Company; e-voting, updating e-mail, PAN and bank account details.

The Company has designated the email-id exclusively for investor servicing i.e. investor.relations@solargroup.com and the same is primarily used.

8.8 Stock Exchange

The Board of Directors has approved a Policy for determining the materiality of events for the purpose of making disclosure to the Stock Exchanges.

The Managing Director & CEO, Joint Chief Financial Officers and Company Secretary & Compliance officer are empowered to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges.

8.9 NSE Electronic Application Processing System (NEAPS)

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

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

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

8.11 SEBI Complaints Redress System (SCORES)

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

8.12 Online Dispute Resolution (ODR):

SEBI vide circular SEBI/HO/OIAE/OIAE_IAD1/P/ CIR/2023/131 dated July 31, 2023, has introduced an Online Dispute Resolution (ODR) mechanism for investors.

An investor shall first take up his/her/their grievance with the Company. If the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.

Shareholders are requested to take note of the same.

9. GENERAL SHAREHOLDER INFORMATION AND DISCLOSURES

Date, Time and Venue of the AGM	Tuesday, the 11 th day of August, 2026 at 11:30 a.m. through video conferencing ("VC")/Other Audio-visual means ("OAVM") as set out in the Notice convening the Annual General Meeting. Deemed Venue: "Solar" House, 14, Kachimet, Amravati Road Nagpur- 440023, Maharashtra.
Financial Year	April 01 to March 31
Financial Calendar	
For the financial year ended March 31, 2026, financial results were announced on:	
1. For the quarter ended June 30, 2025	August 07, 2025
2. For the quarter and half year ended September 30, 2025.	November 10, 2025
3. For the quarter and nine months ended December 31, 2025.	February 03, 2026
4. For the fourth quarter and the financial year ended on March 31, 2026	May 15, 2026
Tentative schedule for declaration of financial results during the financial year 2026-27:	
1. For the quarter ending June 30, 2026	On or before August 14, 2026
2. For the quarter and half year ending September 30, 2026	On or before November 14, 2026
3. For the quarter and nine months ending December 31, 2026	On or before February 14, 2027
4. For the fourth quarter and financial year ending March 31, 2027	On or before May 30, 2027
5. Annual General meeting for the Year ending March 31, 2027	On or before September 30, 2027
Trading window closure for financial results	From the 01 st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
Date of Book Closure	29 th July, 2026 to 11 th August, 2026 (both days inclusive)
Dividend and Dividend Payment Date	₹ 11.00 per equity share for Financial Year 2025-26. The payment of such dividend will be made on Thursday, 20 th August, 2026. The payment of dividend will be subject to a deduction of tax at source, as applicable, in compliance with the statutory requirements.
Listing on Stock Exchanges	Equity Shares: Name & Address of Stock Exchange 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 2. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Non-Convertible Debentures: Name & Address of Stock Exchange 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Listing Fees	Annual Listing fees for the year 2026-27 has been paid to both the Stock Exchanges as on the date of this Report.
Custody Fees	Annual Custody Fees is being paid by the Company within the due date based on invoices received from the Depositories.

Register and Transfer Agent	Name: MUFG Intime India Private Limited (formerly known as Link intime India private Limited) Address: C-101, 01 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083 Tel No.: 022 49186000 Fax No.: 022 49186060 Email: amit.dabhade@in.mpms.mufig.com Contact Person: Amit Dabhade SEBI Registration Number: INR000004058 CIN: U67190MH1999PTC118368
Debenture trustee	Name: Axis Trustee Services Limited Address: Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli, Mumbai- 400025 Tel No.: 022 62300451 Fax No.: 022 62300700 Email: vasu.lohia@axistrustee.in Contact Person: Vasu Lohia SEBI Registration Number: IND000000494 CIN: U74999MH2008PLC182264
Scrip Code/ Trading Symbol	532725 on BSE Limited SOLARINDS EQ on National Stock Exchange of India Limited
ISIN Number for NSDL & CDSL	Equity: INE343H01029 Non-Convertible Debentures: INE343H08016 and INE343H08024
Corporate Identity Number (CIN)	L74999MH1995PLC085878

9.1 Share Transfer System

Share Transfer System as mandated by SEBI, securities of the Company can be transferred / traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange, and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

9.2 Distribution of shares and shareholding pattern as on March 31, 2026:

Shareholding Range	Number of Shareholders	Number of Shares	Percent of total Shareholders
01 – 500	1,17,361	21,75,399	98.6,285
501 – 1000	578	4,25,901	0.4,857
1001 – 2000	321	4,55,587	0.2,698
2001 – 3000	158	3,90,044	0.1,328
3001 – 4000	86	3,01,313	0.0,723
4001 – 5000	65	2,98,139	0.0,546
5001 – 10000	148	10,78,342	0.1,244
10001-- *****	276	8,53,65,330	0.2,319
TOTAL	1,18,993	9,04,90,055	100

9.3 Shareholding Pattern (Category wise) as on March 31, 2026:

Sr. No.	Category	Number of Shareholders	Total Shares	% Total Share holding
1.	Public	1,11,493	49,58,867	5.4,800
2.	Promoters	10	3,97,40,078	43.9,165
3.	Promoter – Trust	1	2,64,51,193	29.2,310
4.	Key Managerial Personnel	2	3,978	0.0,044

Sr. No.	Category	Number of Shareholders	Total Shares	% Total Share holding
5.	Clearing Members	27	1,28,906	0.1,425
6.	Other Bodies Corporate	800	10,63,478	1.1,752
7.	Body Corporate - Ltd Liability Partnership	106	40,439	0.0,447
8.	Hindu Undivided Family	2,325	2,22,426	0.2,458
9.	Mutual Funds	233	1,07,98,557	11.9,334
10.	Non - Nationalised Banks	1	25	0.00
11.	Non - Resident Indians	1,808	66,916	0.0,739
12.	Non - Resident (Non-Repatriable)	1,661	1,22,902	0.1,358
13.	Trusts	21	41,456	0.0,458
14.	G I C & Its Subsidiaries	1	74,179	0.0,820
15.	Insurance Companies	25	3,73,064	0.4,123
16.	FPI (Corporate) - I	412	57,66,958	6.3,730
17.	FPI (Individual) - II	1	1,250	0.0,014
18.	Provident Funds/ Pension Funds	18	2,07,363	0.2,292
19.	NBFC's registered with RBI	3	280	0.0,003
20.	Investor Education and Protection Fund	1	2,352	0.0,026
21.	Central Government	1	734	0.0,008
22.	Financial Institutions	1	2,000	0.0,022
23.	Alternate Invst Funds - II	1	175	0.0,002
24.	FPI (Corporate) - II	19	2,01,611	0.2,228
25.	Systemically Important NBFC	1	2,450	0.0,027
26.	Alternate Investment Funds - III	26	2,18,418	0.2,414
TOTAL		1,18,993	9,04,90,055	100

9.4 Address for Correspondence:

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Smt. Khushboo Pasari Company Secretary & Compliance Officer Tel: (0712) 6634555/67 E-mail: cs@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur - 440023, Maharashtra
For Institutional Investors and Corporate Communication related matters	Smt. Shaline Mandhana Tel: (0712) 6634506 E-mail: investor.relations@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur - 440023, Maharashtra
For share transfer, transmission, National Electronic Clearing Service, dividend, dematerialization, etc.	Registrar and Share Transfer Agent: MUFG Intime India Private Limited (Formerly known as Link Intime India Pvt Limited) Tel No: 022 49186000 Fax: 022 49186000 Email: rnt.helpdesk@in.mpms.mufg.com	MUFG Intime India Pvt. Limited C - 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

9.5 Dematerialization of Shares and liquidity:

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

9,04,90,055 Ordinary Shares of the Company representing 100% of the Company's share capital is held in dematerialized form.

9.6 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2026, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

During the Financial Year 2025-26, 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 33 of the Consolidated Financial Statements of the Company of the Company.

9.8 Plant Locations as on March 31, 2026:

Sr. No.	Unit	Address	City
1.	Solar Industries India Limited, Chakdoh	Khasra No. 37-39 & 78-83, Amravati Road Village-Chakdoh (Bazargaon), Tehsil-Katol 441302	Nagpur, Maharashtra
2.	Solar Industries India Limited, Kotputli	C/o-Ultratech Cement Ltd.,(Unit : Kotputali) Kh. No. 221, 222 Village : Kujota , Tah & Dist- Kotputali-303108,RJ,IN	Kotputali, Rajasthan
3.	Solar Industries India Limited, Waidhan Unit-2	Khasra No 975/2 , Post -Ganiyari, Tahsil- Waidhan, District- Singrauli, Madhya Pradesh 486886	Dist. Singrauli, Madhya Pradesh
4.	Solar Industries India Limited, Warur	Survey No. 101, Warur Road, Tehsil - Rajura, District Chandrapur, Maharashtra 442905	Chandrapur, Maharashtra
5.	Solar Industries India Limited, Korba	Khasra No. 5, Village- Mudapar, (Hardi Bazar) Po- Korbi/Dhatara, Tahsil: Pali, District Korba, Chhattisgarh 495446	Korba, Chhattisgarh
6.	Solar Industries India Limited, Ramgarh	Plot No. 967 & 1156, Village -Manua (Binjhar), Post-Argada (Hesla), District Ramgarh, Jharkhand 829101.	Hazribagh, Jharkhand
7.	Solar Industries India Limited, Dhanbad	Plot No. C-32-33 (P), Kandra Industrial Area, At-Bhetia, Post: Govindpur, District 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 Bengal 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), District Angul, Odisha 759116	Angul, Orissa.
10.	Solar Industries India Limited, Manendragarh	Khasara No. 323/2 Mouza - Chainpur , Tahsil & Post- Manendragarh, District Manendragarh-Chirimiri-Bharatpur	Chirimiri, Bharatpur
11.	Solar Industries India Limited, Ramagundam	Survey No. 363, Village -Mustial, Ramgiri Mandal, Dist: Peddapalli-505209,TS,IN	Ramagundam
12.	Solar Industries India Limited, Rupaheli	Kh. No.-1459/1460,Village-Rupaheli,Tehsil-Hurda,Dist:-Bhilwara-311030,RJ,IN	Rupaheli, Bhilwara
13.	Solar Industries India Limited, Jharsuguda	Plot No.389 to 392, Village-Beherapali, Post Badmal, Tehsil Jharsuguda, District Jharsuguda, Odisha 768 202	Jharsuguda, Odisha
14.	Solar Industries India Limited, Barbil	Khata No 118/22, Plot No 1034,1035,1046/1264,1046/1265,1046/1035, 1134,1047 & 1048 Village - Naibaga Tehsil Jhumpura, Barbil Po Dabuna PS. Bamebari District Keonjhar Odisha 758034	Dist- Keonjhar, Odisha
15.	Solar Industries India Limited, Bailadila	Forest Compartment No 626/ 1861 Deposit Kailash Nagar Bailadila iron ore Mines, Kirandul Complex P.O. Kirandul District - Dantewada Chhattisgarh 494556	BIOM Kirandul Chhattisgarh
16.	Solar Industries India Limited, Pallewada	Survey No 187/A/A & 188/A/B Village - Pallewada Dist. Khammam - Telangana	Pallewada, Telangana
17.	Solar Defence and Aerospace Limited	Village - Sawanga	Nagpur, Maharashtra
18.	Solar Defence and Aerospace Limited, Nimjee	Kh - 40/1 & 40/2 , Khapri, PO - MIDC, Gondkhari, Kamleshwar Road	Nagpur, Maharashtra
19.	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh 486886.	Distt - Singrauli, Madhya Pradesh
20.	Emul Tek Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District Raigarh, Chhattisgarh 496001	Distt- Raigarh, Chhattisgarh
21.	Solar Explochem Limited	Village Chinchwar Post - Dhule, Maharashtra - 424002	Dhule Maharashtra
22.	Solar Industries India Limited, Satna (Under Process)	Survey No 153/1, Patwari Halka no 32, Village - Bagha, Tahsil - Rampur (Baghelan) District Satna - Madhya Pradesh	Satna - Madhya Pradesh
23.	Solar Industries India limited. Baghadih	KH.No.529/2, 537/1, 537/2/1, 537/2/2, 537/3, 537/4 & 550/9 Village Baghadih,Tehsil Deosar, District Singrauli, Madhya Pradesh 486886.	District Singrauli, Madhya Pradesh
24.	Solar Industries India Limited, Seppakkam (Under Process)	Survey No 281/1,281/2, 281/3, 281/4, 281/5, 281/6 A, 281/8 and 281/9 Village - Seppakkam, Dist- Cuddalore	Tamilnadu Seppakkam, Tamilnadu
25.	Solar Industries India Limited, Kotputli (Under Process)	C/o-Ultratech Cement Ltd,Unit : Kotputali, Kh. No. 221, 222 Village Kujota, District Kotputali, Rajasthan 30318	Kotputli, Rajasthan
26.	Solar Industries India Limited, Karimnagar	Survey No. 363, Village: Mustial, Post: Sundilla, Mandal- Ramagiri, District Peddapalli, Telangana 505209	Karimnagar, Telangana
27.	Solar Industries India Limited. Indaram (Under Process)	Survey No. 564 to 566 Indaram Mandal, Jaipur District- Mancherial, Telangana 504216	District Mancherial, Telangana

Sr. No.	Unit	Address	City
28.	Solar Industries India Ltd. (Indaram)	KH No.71, Patwari Halka No-41,Village – Karamsara, At – Malanjhand,Teh – Birsa, Dist – Balaghat,Madhya Pradesh – 481116	Balaghat ,Madhya Pradesh
29.	Solar Industries India Limited, Shitalpur	KH No. 263,270,1791,1796,1797,1798 & 1799,Village- Shitalpur, PO- Salukchapra, PS- Nirsa, Tahsil-Kaliasole, Dist: Dhanbad-828201,JH,IN	Dhanbad, Jharkand
30.	Solar Industries India Limited. Surjagarh (Under Process)	Khasra No. E-197, AT-Surjagarh,Tahsil-Etapalli, Dist: Gadchiroli, Maharashtra 442704.	District Gadchiroli, Maharashtra
31.	Solar Industries India Limited. Rayagada (Under Process)	IDCO Plot No: B/1 TO B/5, B/14(P) TO B/18, B/19 TO B/23(P) & B/29(P) TO B/33, Khata No 26/3 & 2/13, Rev. Plot No: 9(P), 23(P), 24/112(P),Village- Pitamahar, PS- Seshkhal, District Rayagada, Odisha 765002.	Rayagada, Odisha

9.9 Credit Rating:

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

Sr. No.	Instrument Type	Rating/ Outlook	Rating action	Rating Agencies
1.	Long term Bank Loan facility	CRISIL AA+/Positive	Rating reaffirmed but outlook upgraded from stable to positive.	CRISIL Ratings Limited
2.	Short Term Borrowings	CRISIL A1+	Reaffirmed.	CRISIL Ratings Limited
3.	Non-Convertible Debentures	CRISIL AA+/Positive	Rating reaffirmed but outlook upgraded from stable to positive.	CRISIL Ratings Limited
4.	Non-Convertible Debentures	CRISIL AA+/Stable	Rating reaffirmed but outlook upgraded from stable to positive.	CRISIL Ratings Limited
5.	Commercial Paper	[ICRA]A1+; outstanding	Reaffirmed	ICRA Limited

9.10 Major 10 Shareholders as on March 31, 2026 (other than promoters):

Sr. No.	Name of Shareholder	Holding	Percentage (%)
1.	SBI Equity Hybrid Fund	1790000	1.9781
2.	Kotak Flexicap Fund	1000000	1.1051
3.	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	372310	0.4114
4.	Hdfc Mutual Fund - HDFC Defence Fund	637829	0.7049
5.	Canara Robeco Mutual Fund A/C Canara Robeco Large and Mid-Cap Fund	242012	0.2674
6.	Motilal Oswal Nifty India Defence Index Fund	329962	0.3646
7.	Vicco Products Bombay Pvt Ltd	421889	0.4662
8.	Vanguard Total International Stock Index Fund	356163	0.3936
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	334890	0.3701
10.	Ishares Core MSCI Emerging Markets ETF	307707	0.3400

9.11 Voting through electronic Means:

The Company is pleased to provide its members facility to exercise their right to vote at general meetings by electronic means pursuant to Section 108 of the Companies Act, 2013 and the Rules made thereunder.

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

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

E-Voting shall be open for a period of 3 days i.e. from 8th day of August, 2026, (9.00 a.m. IST) and end on 10th day of August, 2026 (5.00 p.m. IST). The Board of Directors of the Company has appointed CS Tushar Pahade (FCS No.: 7784 & COP No.: 8576) Proprietor of M/s T.S. Pahade & Associates., Practising Company Secretaries as scrutinizer for the e-voting process.

Detailed procedure is given in the Notice calling 31st Annual General Meeting and also placed on the website of the Company.

9.12 Unclaimed Dividends

Pursuant to the provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are required to be transferred to IEPF.

The Company had transferred unclaimed dividend and shares to IEPF authority within statutory timelines which were due in financial year 2025-2026.

The Company will be transferring the final Dividend and corresponding shares for the financial year 2018-19 on or before July 31, 2026. Members are requested to ensure that they claim the dividends and shares referred to above, before they are transferred to the said Fund. Last Date for claiming Unpaid Dividends are provided in the Report on Corporate Governance. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website at www.solargroup.com.

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

9.13 Status of unclaimed dividend and shares which have been transferred to IEPF are given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Actions to be taken
Up to and including the Interim dividend and respective shares for the financial year 2018-19 transferred to IEPF	Transferred to the IEPF authority	Yes	IEPF Authority to pay the claim amount to the shareholder based on the e-verification report submitted by the Company and the documents submitted by the investor	IEPF Authority to pay the claim amount to the shareholder based on the e-verification report submitted by the Company and the documents submitted by the investor
For the Final Dividend for the Financial years 2018-19 to 2024-25	Amount lying in respective Unpaid Dividend Accounts	Yes	MUFG Intime India Private Limited ((Formerly known as Link Intime India Pvt Limited)	Application to MUFG Intime India Private Limited along with KYC documents

9.14 Details of date of declaration and due date for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2026 (in Rupees)	Last Date for claiming Unpaid Dividend
2018-19 (Final)	July 31, 2019	47,901.00	July 31, 2026
2019-20 (Final)	September 16, 2020	64,668.00	September 16, 2027
2020-21 (Final)	August 31, 2021	45,105.00	August 31, 2028
2021-22 (Final)	June 10, 2022	40,110.50	June 10, 2029
2022-23 (Final)	June 21, 2023	2,13,908.00	June 21, 2030
2023-24 (Final)	July 18, 2024	98,789.00	July 18, 2031
2024-25 (Final)	July 22, 2025	62,172.00	July 22, 2032

10. Subsidiary Monitoring Framework

As on 31st March, 2026, the Company have 08 wholly owned subsidiaries, 28 step-down subsidiaries and 03 Associate Companies as on March 31, 2026 both within India and across the globe. The strategic alignment of these entities underscores our dedication in expanding our reach globally.

All the subsidiary companies of the Company are managed by their Management, Board of Directors and Board Committees (Wherever constituted) having the rights and obligations to manage these companies in the best interest of respective stakeholders.

The Company nominates its representatives on the Board of subsidiary companies and monitors the performance of such companies, inter alia, by reviewing:

- Financial statements, investments, inter-corporate loans/advances made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials.
- Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.
- Providing necessary guarantees, Letter of comfort and other support for their day-to-day operations from time-to-time.

As required under Regulation 16 (1) (c) and 24 of the Listing Regulations, the Company has adopted a policy on determining "material subsidiary" and the said policy is available on the Company's website at www.solargroup.com

11. FOURTH LAYER GOVERNANCE THROUGH MANAGEMENT PROCESS:

11.1 Other Disclosures:

a. Disclosure of Related Party Transactions:

The Company has formulated and adopted a comprehensive Policy on Related Party Transactions in accordance with the requirements of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review the Company has reviewed and amended the policy on Related Party Transactions and the same is available on the Company's website and can be accessed at the following link: <https://solargroup.s.gy/rpta>

The Policy establishes a robust framework governing Related Party Transactions and is designed to ensure that appropriate identification, reporting, approval, and disclosure mechanisms are implemented for all such transactions entered into by the Company.

All Related Party Transactions are placed before the Audit Committee for its prior review and approval. Further, omnibus approval of the Audit Committee is obtained on a quarterly basis for transactions that are repetitive in nature and are entered into in the ordinary course of business on an arm's length basis, in compliance with applicable regulatory provisions.

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during financial year 2025-26 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

b. Whistle Blower Policy/Vigil Mechanism:

The Company promotes safe, ethical, and compliant conduct across its business operations and has established a structured mechanism for reporting any illegal or unethical behaviour. The Company has in place a Vigil Mechanism and Whistle Blower Policy under which employees are encouraged to report violations of applicable laws, regulations, or the Code of Conduct without fear of retaliation.

The Company is committed to fostering a culture where employees feel safe to raise concerns regarding any unacceptable practices or instances of misconduct. The Policy also provides employees with the option to report such concerns to the management on an anonymous basis, should they choose to do so.

The Company has adopted a Whistle Blower Policy and has established an effective vigil mechanism system for directors and employees embedded in the Code of Conduct, to report instances of unethical behaviour, actual or suspected fraud, violation of the Company's code of conduct, leak or suspected leak of unpublished price sensitive information to the management.

The reportable matters may be disclosed to Smt. Girija Balakrishnan, Non – Executive Independent Director of the Company as the Ombudsperson who operates under the supervision of the Audit Committee.

During the year under review the Company has not received any complaints about unethical behaviour from the Whistle Blowers. No personnel in the Company have been denied access to the Audit Committee or its Chairman. During the year under review the Company has reviewed and amended the Whistle Blower Policy.

The Whistle Blower Policy is available on the Company's website and can be accessed at the following link: <https://solargroup.s.gy/wbp>

c. Material Subsidiary

In terms of Regulation 16 (1) (c) and Regulation 24 of SEBI Listing Regulations, 2015 the Company has adopted a Policy for determining Material Subsidiary. The Policy for determining material subsidiaries can be accessed at: <https://solargroup.s.gy/ms>

Solar Defence and Aerospace Limited and Solar Overseas Mauritius Limited are the material subsidiaries of the Company as per the thresholds laid down under the SEBI Listing Regulations, 2015. There has been no material change in the nature of the business of the Subsidiaries.

Details of material subsidiaries of the listed entity incorporated, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Sr. No.	Name of the Material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor	Basis of determination of material subsidiary
1.	Solar Defence & Aerospace Limited	August 16, 1995 Nagpur, Maharashtra, India	M/s SRBC & Co. LLP Jointly with M/s Gandhi Rathi & Co.	May 2, 2022	Turnover and Network
2	Solar Overseas Mauritius Limited	August 21, 2009 Republic of Mauritius	BIT Associates; Chartered Certified Accountants & Registered Auditors	April 12, 2024	Network

d. Terms of appointment of Independent Directors

Pursuant to Regulation 46 of SEBI Listing Regulations, 2015 and Section 149 of the Act, read with Schedule IV of the Act, the terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website at www.solargroup.com.

e. The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2026.

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

g. Compliance with Mandatory Requirements

Your Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations, 2015. Specifically, your Company confirms compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

h. Certificate of Non-Disqualification of Directors

A certificate dated May 05, 2026 issued by T.S Pahade & Associates, Practising Company Secretaries, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority under Regulation 34(3) and Schedule V of SEBI (Listing Regulations), 2015 is enclosed as **Annexure - D** to this report.

i. During the year under review, the Board has accepted all the recommendations made by Audit Committee,

Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, and Corporate Social Responsibility and Sustainability Committee of the Company.

j. Total fees for all services paid by the listed entity to the Statutory Auditors is given in Note 26 (a) of the Consolidated Financial Statements of the Company.

k. Disclosures with respect to demat suspense account/unclaimed suspense account (Unclaimed Shares)

In accordance with Regulation 39 and Schedule VI of the SEBI (Listing Regulations), 2015 a minimum of three reminders are sent to shareholders, towards the shares which remain unclaimed. In case of non-receipt of response to the reminders from the shareholders, the unclaimed shares are transferred to the Unclaimed Suspense Account. The Company maintains the details of shareholding of each individual shareholders whose shares are transferred to the Unclaimed Suspense Account. When a claim from a shareholder is received by the Company, the shares lying in the Unclaimed Suspense Account are transferred after due verification of documents submitted by the shareholder.

The voting rights on the shares in the suspense account shall remain frozen till the rightful owner claims the shares.

Further, the shares in respect of which dividend entitlements remained unclaimed for seven consecutive years are transferred from the Unclaimed Suspense Account to IEPF Authority in accordance with Section 124(6) of the Act, 2013 and rules made thereunder.

The disclosure as required under Schedule V of the SEBI (Listing Regulations), 2015 is given below for the financial year 2025-26:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	-	-
2.	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
3.	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
4.	Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF	-	-
5.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	-	-
6.	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	-	-

I. Disclosure of certain type of agreements binding listed entities

Intimation of list of Family Settlement dated March 28, 2009 under Regulation 30A of the SEBI Listing Regulations, 2015 was submitted to both the stock exchanges on August 3, 2023.

m. Protection of Women at Workplace

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

At SOLAR it is believed that every employee should have the opportunity to work in a conducive environment free from any conduct which can be considered as Sexual Harassment.

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

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

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

Sr. No.	Particulars Number	Number
1	Number of complaints on Sexual harassment received during the year	NIL
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

Throughout the year, a variety of training programs and workshops for employees are conducted. At Solar, orientation sessions for new recruits are designed to include essential awareness training focused on the prevention of sexual harassment. We have also developed specific programs on our digital platform to educate and sensitize employees about the importance of upholding the dignity of their colleagues and actively preventing sexual harassment. These initiatives reflect our commitment to creating a safe and respectful workplace for everyone.

n. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested

Details are given in Note. 5 of the Standalone and Consolidated Financial Statements.

o. Disclosure of Non-Compliance with Corporate Governance Requirement

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

p. Disclosure Policy

In line with requirements under Regulation 30 of the SEBI Listing Regulations, 2015 the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: <https://solargroup.sgy/dp>

q. D & O Insurance for Directors

In line with the requirements of Regulation 25 (10) of the SEBI Listing Regulations, 2015 the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

r. Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the SEBI Listing Regulations, 2015, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain

documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company's website at: <https://solargroup.sgy/pd>

s. Disclosure of Accounting Treatment:

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

t. Compliance on Matters Related to Capital Markets

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years.

However, there is one case for which the Company has paid the fine and filed a waiver/refund application to the stock exchanges along with the proper clarification as SEBI:

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

u. Code for Prevention of Insider Trading

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

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

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

The management also conducted trainings to create awareness on various aspects of the Code for Prevention of Insider Trading and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance.

The Company also circulates informative E-mails on Prevention of Insider Trading to the employees to familiarise them with the provisions of the Code for Prevention of Insider Trading.

The Board has also formulated a Policy for determination of 'Legitimate Purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI Insider Trading Regulations.

During the year under review the Company has reviewed the Code for the prevention of insider trading and Code of Fair Disclosures.

The Code of Fair Disclosures is posted on the website of the Company at the link: <https://solargroup.sgy/cpit>

v. Disclosure on resignation of Independent Directors

Shri Kirit Kamdar (DIN: 06513347) Additional Director (Non-Executive Independent Director) has tendered his resignation w.e.f May 06, 2026 due to his other professional commitments.

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

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
1.	Board of Directors	17	Yes	- Board Composition and Appointment of Directors - Meetings of Board of Directors and Quorum - Review of Compliance Reports - Plans for orderly succession for appointments - Code of Conduct - Fees/Compensation paid to Non-Executive Directors - Minimum Information to be placed before the Board - Compliance Certificate by CEO and CFO - Risk Assessment & Management - Performance evaluation of Independent Director - Directorships in listed entities
2.	Maximum Number of Directorships	17A	Yes	
3.	Audit Committee	18	Yes	- Composition of Audit Committee - Presence of the Chairman of the Committee at the Annual General Meeting - Meetings and Quorum - Role of Committee and Review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	- Composition of Nomination & Remuneration Committee - Presence of the Chairman of the Committee at the Annual General Meeting - Meetings and Quorum - Role of Committee

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
5.	Stakeholders Relationship Committee	20	Yes	- Composition of Stakeholders Relationship Committee - Presence of the Chairman of the Committee at the Annual General Meeting - Meetings and Quorum - Role of Committee
6.	Risk Management Committee	21	Yes	- Composition and role of Risk Management Committee - Meeting and Quorum - Role of Committee
7.	Vigil Mechanism	22	Yes	- Formulation of Vigil Mechanism and Whistleblower policy for Directors and Employee - Adequate safeguards against victimization of Director(s) or employee(s) or any other person
8.	Related Party Transaction	23	Yes	- Policy on Materiality of related party transactions and dealing with related party transactions - Prior approval including omnibus approval of Audit Committee for related party transactions - Quarterly review of related party transactions - Disclosure on related party transactions
9.	Subsidiaries of the Company	24	Yes	- Appointment of Company's Independent Director on the Board of unlisted material subsidiaries - Review of financial statements and investments of unlisted subsidiaries by the Audit Committee - Minutes of the board of Directors of the unlisted subsidiaries are placed at the meeting of the Board of Directors - Significant transactions and arrangements of unlisted subsidiaries are placed at the meeting of the Board of Directors
10.	Secretarial Audit and Secretarial Compliance report	24A	Yes	- Secretarial Audit of the Company and of material unlisted subsidiaries incorporated in India - Eligibility, Qualifications and Disqualifications of Secretarial Auditor and rendering of services - Secretarial Audit Report of the Company and of material subsidiaries are annexed with the Annual Report of the Company - Annual Secretarial Compliance Report
11.	Obligations with respect to Independent Directors	25	Yes	- Maximum Directorship & Tenure - Meetings of Independent Directors - Appointment and Cessation - Review of Performance by the Independent Directors - Familiarization of Independent Directors - Declaration of Independence - Directors and Officers Insurance for all the Independent Directors
12.	Obligations with respect to employees including senior management, key managerial persons, directors and promoters.	26	Yes	- Memberships/Chairmanships in committees - Affirmations with compliance with the Code of Conduct from members Board of Directors and Senior Management personnel - Disclosures by senior management about potential conflict of Interest - Filing in office vacancies in respect of certain Key Managerial Personnel

Sr. No.	Particulars	Regulation	Compliance	Brief Description of Regulation
			Status (Yes / No / NA)	
13.	Other Corporate Governance Requirements	27	Yes	- Compliance of Discretionary Requirements - Filing of Quarterly, Half-Yearly and Yearly Compliance Report on Corporate Governance - Details of cyber security incidents or breaches or loss of data or documents
14.	Disclosures on Website of the Company	46(2) (b) to (i)	Yes	- Terms and conditions of appointment of Independent Directors - Composition of various committees of Board of Directors - Code of Conduct of Board of Directors and Senior Management Personnel - Details of establishment of Vigil Mechanism / Whistle Blower policy - Criteria of making payments to Non-Executive Directors - Policy on dealing with Related Party Transactions - Policy for determining Material Subsidiaries - Details of familiarization programmes imparted to Independent Directors

11.2 Discretionary Requirements under Regulation 27 of SEBI (Listing Regulations), 2015:

The listed entity has complied with the Discretionary requirements as specified in Part-E of Schedule II of SEBI Listing Regulations, 2015.

a. The Board

The Chairman of the Company is a Non-Executive Director. The Chairperson's office is maintained at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.

b. Shareholders' Rights

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

c. Audit Qualifications

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

d. Reporting of Internal Auditor

The Internal Auditor of the Company reports to the Audit Committee of the Company.

e. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Chairman of the Board of Directors is a Non-Executive Director and his position is separate from the Managing Director & Chief Executive Officer. Further the Chairman and Managing Director & CEO are related to each other.

12. CEO and CFO CERTIFICATION

The Managing Director & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, 2015 copy of which is attached as **Annexure - B** to this Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI (Listing Regulations), 2015.

13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained the certificate from M/s Gandhi Rathi & Company, Chartered Accountants, regarding compliance with the provisions relating to the Corporate Governance as stipulated under the certificate annexed as **Annexure - C** to the report on Corporate Governance Schedule V and Regulation 34 of SEBI (Listing Regulations), 2015 for the Financial Year 2025-26, as attached to this report and will be sent to the stock exchanges along with this annual report to be filled by the Company.

Annexure-A

Declaration of Compliance with the Code of Conduct

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

The Board of Directors of Solar Industries India Limited has laid down a code of conduct for all the Board Members and Senior Management Personnel of the Company. The said code of conduct has also been posted on Company's website i.e. www.solargroup.com.

All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended on March 31, 2026.

For Solar Industries India Limited

Manish Nuwal

Managing Director & CEO

DIN: 00164388

Place: Nagpur

Date: May 15, 2026

Annexure – B

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification (REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015)

To,
The Board of Directors,
Solar Industries India Limited

We have reviewed Financial Statements and the Cash Flow Statements of Solar Industries India Limited for the year ended March 31, 2026 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 F.Y. 2025-26 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

Place: Nagpur
Date: May 15, 2026

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Shalinee Mandhana
Joint CFO

Moneesh Agrawal
Joint CFO

Annexure - C

Certificate on Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Solar Industries India Limited Relating to Corporate Governance Requirements

To,
The Members,
Solar Industries India Limited

We have examined the compliance of conditions of Corporate Governance by Solar Industries India Limited, for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27 clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India, Listing Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI Listing Regulations.

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

For and on behalf

Gandhi Rathni & Co. Chartered Accountant
Firm Registration No: 103031W

CN Rathni

Partner

M. No : 039895

UDIN: 26039895BSTYCG9891

Place: Nagpur
Date: May 15, 2026

Annexure - D

Certificate of Non-Disqualification of Directors

To,
The Members,
Solar Industries India Limited

We have examined the following documents:

- Declaration of non-disqualification received from directors under Section 164 of Companies Act 2013 ('The Act') in April 2026;
- Disclosure of concern or interest received from directors under section 184 of the Act in April 2026

and relevant registers, records, forms and returns of **Solar Industries India Limited (CIN: L74999MH1995PLC085878)** having its Registered Office at "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India {the Company}, provided by the Company as scanned copies in physical or electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Shri Satyanarayan Nuwal	00713547	24/02/1995
2.	Shri Manish Nuwal	00164388	25/10/2008
3.	Shri Suresh Menon	07104090	11/05/2018
4.	Shri Milind Deshmukh	09256690	29/07/2021
5.	Smt. Girija Balakrishnan	06841071	18/09/2025
6.	Shri Viswanathan Lakshmanan	00193056	18/10/2025
7.	Shri Ramesh bhujang	00194189	03/12/2025
8.	Shri Kirit Ramesh Kamdar*	06513347	01/04/2026

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

NOTES:

*Shri Kirit Ramesh Kamdar (DIN: 06513347) was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. April 01, 2026.

For T.S Pahade & Associates

Tushar S. Pahade

FCS 7784

CP 8576

Place: Nagpur

Date: May 05, 2026

UDIN : - F007784H00027699

PR No.: 3052/2023

Independent Assurance Report

To
The Board of Directors
Solar Industries India Limited
"Solar" House 14,
Kachimet, Amravati Road,
Nagpur – 440023

Subject: Independent Reasonable Assurance Report on BRSR Core KPIs/Metrics in the Business Responsibility and Sustainability Report (BRSR) of Solar Industries India Limited (hereafter referred to as "Solar" or "Company") for the Financial Year 2025-26.

1. Introduction and Scope

Moore Singhi Advisors LLP ("Moore Singhi" or "we" or "us") has been engaged by Solar Industries India Limited to provide independent reasonable assurance on Key Performance Indicators (KPIs) or Metrics under nine (9) ESG attributes (listed in Annexure 1) that form part of Business Responsibility and Sustainability Report ("BRSR Core").

The reporting criteria, chosen by the company, for this engagement comprise the following (collectively, the "Criteria", and the SEBI circulars referenced below, the "Circulars"):

- Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 on BRSR Core — Framework for assurance and ESG disclosures for value chain.
- SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 titled Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities, read with Chapter IV-B thereof (dealing with BRSR disclosures)
- Industry Standards on Reporting of BRSR Core issued vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024.

Our engagement has been conducted in accordance with the terms of the engagement letter dated November 12, 2025.

Our assurance on disclosures is for the period starting from April 1, 2025, to March 31, 2026. We have not performed any procedures on any other elements included in the BRSR report, and therefore do not express any opinion thereon.

2. Boundary

The reporting boundary for the BRSR disclosures includes Solar's operations of 17 manufacturing locations ("reporting

boundary") at Chakdoh, Warur, Waidhan, Korba, Ramgarh, Jharsugada, Bhilwara, Pallewada, Bailadila, Barbil, Talcher, Asansol, Dhanbad, Manendragarh, Ramagundam, Kotputli, Bagadih, and 4 offices including Ramdaspath, Tower 10, Bharat Nagar, and Corporate Office - Solar House. An on-site verification was conducted at the Company's key manufacturing facility at Chakdoh Ramdaspath office, and Corporate Office - Solar House, Nagpur.

3. Management Responsibilities

The Company's management is responsible for the selection of the reporting criteria, reporting period, reporting boundary, preparation, and disclosure of BRSR information and the BRSR Core KPIs/Metrics under the nine attributes as per "Format of BRSR Core" of the aforesaid Circulars. This responsibility includes stakeholder engagement, designing, implementing and maintaining adequate internal controls, including relevant policies and procedures, maintaining adequate records, performing appropriate calculations, and making estimates that are reasonable in the circumstances, and ensuring that they are free from material misstatement, whether due to fraud or error. The management and Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR. Moore Singhi was not involved in the preparation of the BRSR report, BRSR Core KPIs/Metrics and/or related backup data.

4. Our Responsibilities

Our responsibility is to provide reasonable assurance on the BRSR Core KPIs/Metrics based on the procedures we have performed and the evidence we have obtained from the Company. We do not accept or assume any responsibility for any other purpose or to any other person or organization. We have considered quantitative materiality and qualitative factors in (i) planning the scope of our work and evaluating the results of our work, and (ii) evaluating the effect of any identified misstatements in the BRSR Core. Accordingly, we do not accept or assume any liability or duty of care to any person other than the Board of Directors of the Company in connection with this report. This assurance engagement relies on the assumption that all data and information provided by Solar is accurate and complete.

We conducted this engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, and the International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, as well as the terms of our engagement as agreed with the Company in the engagement letter dated November 12, 2025.

Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the KPIs/Metrics presented to us are prepared in accordance with the Criteria chosen by the Company as per the aforementioned Circulars.

A reasonable assurance engagement includes performing procedures to obtain sufficient and appropriate evidence assessing the risk of material misstatement of the KPIs/Metrics disclosed in BRSR Core. In this connection, our procedures included:

- Performing process walkthroughs at selected locations to understand controls relevant to data capture, validation, and reporting of KPIs.
- Understanding and assessing data collection, aggregation, and reporting processes across divisions.
- Evaluating whether the methodologies, assumptions, and calculation approaches adopted by the Company are consistent with the Criteria.
- Conducting interviews with management and operational personnel responsible for BRSR Core data.
- Performing sample-based testing of underlying data and supporting documents across all nine attributes.
- Performing recalculations of selected KPIs, including verification of arithmetic accuracy, consistency of formulas with the methodology adopted.
- Obtaining written management representations confirming completeness, accuracy, and consistency of the reported information.

Exclusions:

- An opinion on the overall design, implementation, or operating effectiveness of the Company's internal control framework or IT general controls, beyond procedures performed as part of this assurance engagement.
- The Company's statements that describe expressions of opinion, belief, aspiration, expectation, aim, or future intentions, including forward-looking statements.
- Independent verification of the economic and/or financial performance indicators, which are derived from the Company's audited financial statements.

5. Inherent Limitations

The reliability of assurance on non-financial information is subject to uncertainties inherent in the assurance process. The lack of a significant universal body of established practice for measuring and evaluating non-financial information allows for different, but acceptable, measures and measurement techniques, potentially affecting comparability between entities. Specifically, the uncertainties in greenhouse gas (GHG) emissions estimation arise due to incomplete scientific knowledge, limitations in quantification models, and the assumptions or conversion factors used to arrive at results. Due to these inherent limitations, there is a possibility that material misstatements in the BRSR Core KPIs/Metrics in the Report may remain undetected. The application of this assurance statement is limited to the aforementioned Circulars.

6. Opinion

Based on the procedures performed and evidence obtained, as described in Section 4, and on the information and explanations provided to us, including written management representations, we are of the opinion that the BRSR Core KPIs/Metrics mentioned in Annexure – 1 of our report are prepared, in all material respects, in accordance with the Criteria chosen by the Company as per the aforementioned Circulars.

7. Restriction on Use

Our work was performed solely to assist management in meeting their responsibilities in relation to Solar's assurance requirements as per the Circulars. The report is addressed and provided to the Board of Directors of the Company, solely for the purpose of enabling it to comply with the aforementioned requirements of the Circulars. Accordingly, we do not accept or assume any liability or duty of care to any person other than the Board of Directors of the Company in connection with this report. Other than as described in Section 1, which sets out the scope of our engagement, we did not perform any assurance procedures on the remaining information. Accordingly, we do not express an opinion on that information.

8. Statement of Independence, Impartiality, and Competence

Moore Singhi is a professional services firm offering a range of services in assurance and advisory to both domestic and international clients across industries. We have complied with independence and ethical requirements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. This assurance engagement was conducted by a multidisciplinary team of professionals with deep knowledge in sustainability, ESG reporting principles and standards, and related assurance standards.

For and on behalf of Moore Singhi Advisors LLP,

Ravi Sankar Nori

Chief Operating Officer (ESG Services)

Date: June 17, 2026

Annexure – 1

Sr. No.	Attribute	Parameter	BRSR Indicator
1	Greenhouse gas (GHG) footprint	Total Scope 1 emissions	Principle 6, Question 7 of Essential Indicators
		Total Scope 2 emissions	
		GHG emission intensity (Scope 1 + 2) based on revenue, PPP and physical output	
2	Water footprint	Total water consumption	Principle 6, Question 3 & 4 of Essential Indicators
		Water consumption intensity based on revenue, PPP and physical output	
		Water Discharge by destination and levels of Treatment	
3	Energy footprint	Total energy consumed	Principle 6, Question 1 of Essential Indicators
		% of the energy consumed from renewable sources	
		Energy intensity based on revenue, PPP and physical output	
4	Embracing circularity - details related to waste management by the entity	Plastic waste, e-waste, bio-medical waste, construction and demolition waste, battery waste, radioactive waste, other hazardous waste, and other non-hazardous waste generated	Principle 6, Question 9 of Essential Indicators
		Total waste generated	
		Waste intensity based on revenue, PPP and physical output	
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	
		For each category of waste generated, total waste disposed by nature of disposal method	
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Principle 3, Question 1(c) of Essential Indicators
		Details of safety related incidents for employees and workers (including contract workforce e.g. workers in the company's construction sites)	Principle 3, Question 11 of Essential Indicators
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	Principle 5, Question 3(b) of Essential Indicators
		Complaints on POSH	Principle 5, Question 7 of Essential Indicators
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –	Principle 8, Question 4 of Essential Indicators
		Directly sourced from MSMEs/ small producers and from within India	
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Principle 8, Question 5 of Essential Indicators
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Principle 9, Question 7 of Essential Indicators
		Number of days of accounts payable	Principle 1, Question 8 of Essential Indicators
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties	Principle 1, Question 9 of Essential Indicators
		Loans and advances & investments with related parties	

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES



I. Details of the Listed Entity:

Sr. No.	Particulars	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L74999MH1995PLC085878
2.	Name of the Listed Entity	Solar Industries India Limited ("Solar")
3.	Year of incorporation	1995 ("Solar")
4.	Registered office address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India
5.	Corporate address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India
6.	E-mail	brsr@solargroup.com
7.	Telephone	0712-6634567
8.	Website	www.solargroup.com
9.	Financial year for which reporting is being done	April 1, 2025 to March 31, 2026.
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ("BSE") National Stock Exchange of India Limited ("NSE")
11.	Paid-up Capital	9,04,90,055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Moneesh Agrawal Designation: Joint Chief Financial Officer Email: moneesh@solargroup.com Smt. Khushboo Pasari Designation: Company Secretary and Compliance Officer Email: khushboo.pasari@solargroup.com
	Telephone	0712 - 6634555
13.	Reporting boundary	The disclosures made in the BRSR Report are on Standalone basis (i.e. only for Solar Industries India Limited)
14.	Name of assurance provider	Moore Singhi Advisors LLP
15.	Type of assurance obtained	Reasonable Assurance on BRSR Core parameters

II. Product/Services

16. Details of business activities (Accounting for 90% of the entity's turnover on standalone basis)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Manufacturing of Industrial Explosives, Initiating Systems	Manufacturing of Industrial Explosives	97.80

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/ Service	NIC Code	% of Total Turnover contributed
1.	Industrial Explosives, Initiating Systems	24292	97.80%

Please refer to the Company's website www.solargroup.com for complete details of products.

III. Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of Plants	No. of Offices	Total
National	26	4	30
International	N.A.	N.A.	N.A.

The Company's operations are spread across the Country. Details of Plant locations are provided under section of shareholders information in the Corporate Governance Section of the Integrated Annual Report.

19. Markets served by the entity:**a. Number of locations**

Location	Numbers
National (No. of States)	We have a PAN India presence
International (No. of Countries)	Solar has a presence in more than 90 Countries

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

During the Financial Year 2025 - 26, on a standalone basis export contributed 47.65% to the total turnover of the Company.

c. A brief on types of customers

Solar is one of the leading companies in the manufacturing of Explosives for Mining and Defence applications. The industries catered by Solar are:

1. Coal India Limited (CIL)
2. Non-CIL & Institutional
3. Housing & Infrastructure
4. Exports & Overseas
5. Defence

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

Sr. No.	Particulars	Total no. (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
1	Permanent Employees (D)	1410	1274	90.4	136	9.6
2	Other than Permanent Employees (E)	0	0	0	0	0
3	Total Employees (D + E)	1410	1274	90.4	136	9.6
		Workers				
4	Permanent (F)	941	922	97.9	19	2.1
5	Other than Permanent (G)	5095	4048	79.5	1047	20.5
6	Total Workers (F + G)	6036	4970	82.3	1066	17.7

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total no. (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1	Permanent Employees (D)	-	-	-	-	-
2	Other than Permanent Employees (E)	-	-	-	-	-
3	Total Employees (D + E)	-	-	-	-	-
Differently abled Workers						
4	Permanent (F)	1	1	100	-	-
5	Other than Permanent (G)	3	3	100	-	-
6	Total Workers (F + G)	4	4	100	-	-

21. Participation/Inclusion/Representation of women

Sr. No.	Category	Total No. (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5
2	Key Management Personnel	6	2	33.33

22. Turnover rate for permanent employees and workers

Category	FY 2025-26			FY 2024-25			FY 2023-24		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.5%	1.4%	13.9%	12.7%	1.3%	14.0%	11.36%	1.72%	13.08%
Permanent Workers	23.5%	1.2%	24.7%	15.1%	0.5%	15.6%	18.2%	1.7%	19.9%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No	Name of the holding / subsidiary / associate companies/ joint ventures	Indicate whether it is a holding/ Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity?
1.	Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited)	Subsidiary	100	Yes
2.	Emul Tek Private Limited	Subsidiary	100	No
3.	Solar Explochem Limited	Subsidiary	100	No
4.	Solar Defence Limited	Subsidiary	100	No
5.	Solar Defence Systems Limited	Subsidiary	100	No
6.	Solar Avionics Limited	Subsidiary	100	No
7.	Solar Aerospace Limited	Subsidiary	100	No
8.	Solar Overseas Mauritius Limited	Subsidiary	100	No

Sr. No	Name of the holding / subsidiary / associate companies/ joint ventures	Indicate whether it is a holding/ Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity?
9.	Solar Overseas Singapore Pte Limited	Step down Subsidiary	-	No
10.	Solar Overseas Netherlands Cooperative U.A.	Step down Subsidiary	-	No
11.	Solar Industries Africa Limited	Step down Subsidiary	-	No
12.	Solar Nitro Zimbabwe (Private) Limited	Step down Subsidiary	-	No
13.	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Step down Subsidiary	-	No
14.	Solar Mining Services Pty Limited	Step down Subsidiary	-	No
15.	Solar Mining Services Cote d'Ivoire Limited SARL	Step down Subsidiary	-	No
16.	Solar Mining Services Albania	Step down Subsidiary	-	No
17.	Solar Nitro SARL	Step down Subsidiary	-	No
18.	Solar Nitro Kazakhstan Limited	Step down Subsidiary	-	No
19.	Solar Nitro (SL) Limited	Step down Subsidiary	-	No
20.	Solar Nitro Chemicals Limited	Step down Subsidiary	-	No
21.	Solar Mining Services Burkina Faso SARL	Step down Subsidiary	-	No
22.	Solar Mining Services (Pty) Limited	Step down Subsidiary	-	No
23.	Solar Nigachem Limited	Step down Subsidiary	-	No
24.	Solar Overseas Netherlands B.V.	Step down Subsidiary	-	No
25.	Solar Explochem Zambia Limited	Step down Subsidiary	-	No
26.	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Step down Subsidiary	-	No
27.	P.T. Solar Mining Services	Step down Subsidiary	-	No
28.	Solar Nitro Ghana Limited	Step down Subsidiary	-	No
29.	Solar Madencilik Hizmetleri Anonim Sirketi	Step down Subsidiary	-	No
30.	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Step down Subsidiary	-	No
31.	Power Blast LLP	Step down Subsidiary	-	No
32.	Maxigear(Pty) Limited	Step down Subsidiary	-	No
33.	Frag Shared Services (Pty) Limited	Step down Subsidiary	-	No
34.	Procapture (Pty) Limited	Step down Subsidiary	-	No
35.	Problast BS (Pty) Limited	Step down Subsidiary	-	No
36.	Problast BBBEE Investment Co. (Pty) Limited	Step down Subsidiary	-	No
37.	Ortiz Investments (Pty) Limited	Associate	-	No
38.	Solar United Co. Limited	Associate	-	No
39.	Zmotion Autonomous Systems Private Limited	Associate	45.99	No

VI. CSR Details

24	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes, CSR is applicable under Ssection 135 of Companies Act, 2013.
	Turnover of the Company for the FY 2025-26 is*	5,578.86 (₹ in Crores)
	Net worth of the Company for the FY 2025 -26 is*	4,226.82 (₹ in Crores)

*On standalone basis

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBC")

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Solar has a structured process for engaging with the communities in the vicinity of the Company operations. The Factory manual and Registers contains the Grievance Redressal Mechanism. Grievances for all the CSR activities undertaken by the Company can also be communicated by emailing at brsr@solargroup.com	NIL	NIL	N.A.	Nil	N.A.	N.A.
Investors (other than shareholders)	Not Applicable	NIL	NIL	N.A.	N.A.	N.A.	N.A.
Shareholders	Yes, during FY 2025-26 no complaints were received, However, one complaint of shareholder received in Financial Year 21 is pending. Shareholders can lodge complaints by emailing at investor.relations@solargroup.com .	Nil	1	The details about the pending shareholder complaint of Shri Kailash Chandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 2025-26.	Nil	1	The details about the pending shareholder complaint of Shri Kailash Chandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 2025-26.
Employees and workers	Yes, Solar has a Grievance Redressal Procedure with Appropriate systems and mechanisms to address employee concerns and complaints pertaining to human rights and labour practices. It aims to facilitate structured discussions and resolutions of the grievances raised on labour practices and human rights.	Nil	N.A.	N.A.	Nil	N.A.	N.A.
Customers	Yes, Robust systems have been put in place across Solar Businesses to continuously engage with consumers by gathering feedback and address their concerns, if any, through a complaint redressal system in a time bound manner.	Nil	N.A.	N.A.	6	Nil	N.A.
Value Chain Partners	Yes, the Company's Code of Conduct for Suppliers and Service Providers includes Grievance Redressal Mechanism.	Nil	N.A.	N.A.	Nil	N.A.	N.A.

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

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

The Company conducts materiality assessments to identify the material issues including environmental and social ones and understand the relative importance of these issues for its stakeholders and its business. Accordingly specific action plans are devised for addressing each material issue at regular intervals. Such assessments help in identifying key drivers for value creation over a period. The assessments are conducted by independent external advisors, in line with global standards, on a periodic basis. The most recent materiality assessment was conducted in Financial Year 2024-2025.

The Company has established a robust Risk Management System covering operational, environmental, social, and governance (ESG) risks in a structured and comprehensive manner. For more information on Risk Management Framework, 'Strategic Risk Management' and 'Material Issues' refer to sections of ESG and Integrated Annual Report.

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

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change, Energy and Emissions	Risk/ Opportunity	- Risk: We face potential physical environment risks from the effects of climate change on our business, including extreme weather and water scarcity. Climate risk can pose challenges to our operations (production & Supply chain disruption) due to harsh climatic conditions (flood, cyclone, higher temperature etc.) - Opportunity: Climate adaptation and mitigation are key to building a future-ready organisation. They can also reduce operational costs and drive greater efficiencies for the business.	- Climate change pose risk to our operations, to mitigate the same we are accelerating the process of decarbonization and stimulating activity along the value chain. - We are monitoring our emissions and establishing goals and targets along with implementation of energy saving and energy efficiency measures.	Negative/ Positive
2.	Environmental Risk and Compliance	Risk	The explosives industry is subject to various government laws and regulations. Noncompliance to these regulations can result in monetary forfeiture, legal fines and penalties, harm to brand reputation, loss of business opportunities, and a loss of value.	- We are dedicated to improving our environmental performance and maintaining positive legal compliance. - The Company is ISO 14001 certified and has well established Environmental Management System which ensures continuous monitoring and subsequent improvement of environmental parameters.	Negative
3.	Water Conservation And Management	Risk	- Effective water management is crucial for the Company's operations, as continuous and reliable water sourcing is vital to its functioning. - Additionally, as a result of climate change, access to fresh water is expected to reduce in certain geographies, making water a scarce resource.	The Company not only meets the statutory criteria set by regulatory authorities for water sourcing but also takes proactive measures to optimize its usage. The Company's water management strategy includes reducing freshwater consumption, implementing water recycling/ reuse and promoting water-saving initiatives.	Negative

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Waste and Hazardous Materials Management	Risk	Mismanagement of hazardous materials can jeopardize the well-being and safety of employees, while also resulting in considerable environmental harm, including contamination of soil and water.	We have a well-established waste management practice in place which ensures the appropriate waste disposal as per the waste category defined by the State Pollution Control Board.	Negative
5.	Occupational Health and Safety	Risk	- Our nature of operation is sensitive and even a small nonadherence to any of the safety measures can result in injury or loss of lives and affect business sustainability. - Each safety incident also has a negative impact on the health, well-being and morale of employees along with a negative reputational impact on the Company. They may also result in operational and financial loss to the Company, including potential partial closure of the plant.	- Our Company has SHE framework in place to ensure safe operations. - We provide safety training and conduct periodic safety audits, to enforce safety protocols. - Our organization has adopted safety and health standards that are considered benchmarks within the global industry.	Negative
6.	Employee Health and wellbeing	Opportunity	- Solar ensures access to healthcare services, wellness programs and other benefits that help employees maintain a healthy work-life balance. Providing such opportunities can lead to improved employee satisfaction, increased productivity, and reduced absenteeism and turnover rates. - The Company's ability to attract and retain talent provides the Company with a competent and experienced workforce and reduces recruitment costs for the Company.	Not Applicable	Negative
7.	Human Rights	Risk	Instances of human rights violations or non-compliance with statutory norms can lead to adverse financial and reputational implications	We have human rights policy which ensures that any non-compliance related to human rights will be addressed and resolved in a timely manner.	Positive
8.	Diversity and Inclusion	Opportunity	We believe that driving equity, diversity, and inclusion strengthens our business. A diverse and inclusive workforce can boost performance, reputation, innovation, and motivation. This will help build a fairer world and strengthen the business.	Not Applicable	Positive

Sr. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Customer Satisfaction	Opportunity	Customer relationship management plays a significant role in our business operations.	Not Applicable	Negative
10.	Data Privacy & Security	Risk	Safeguarding the security of the data and the entire value chain, particularly customers, are important for its business operations.	Safeguarding the security of the data and the entire value chain through cyber risk assessment and implementation of business continuity plan for IT platforms.	Positive/ Negative
11.	Skill Development	Opportunity	Creating the best employee experience and gaining recognition as one of the good employers in our main operating areas will aid us in attracting, hiring, and retaining talented individuals.	Not Applicable	Positive
12.	Supply Chain Management and Materials Sourcing	Risk	We are facing risks in supply chain management and materials sourcing, transportation, regulatory compliance, and supplier relationship.	- Enhancing supply chain management by developing innovative technology and working with reliable partners. - We are developing innovative logistics solutions that can reduce transport costs and enhance safety.	Positive
13.	Regulatory Compliance	Opportunity	Regulatory compliance is an opportunity for our industry to demonstrate its commitment for sustainable operations and market presence across the global.	Not Applicable	Positive
14.	Innovation and R&D	Opportunity	Investing in research and development, product testing, and continuous improvement can lead to innovative products that meet customers' needs and exceed their expectations.	Not Applicable	Positive
15.	Ethical Business Conduct	Opportunity	Non-compliance with ethical business practices and integrity related obligations can lead to legal fines and penalties, financial losses, damage to brand reputation, missed business opportunities, and a decrease in company value.	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES



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

Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Company policies are available on Solar Industries India Limited official website, www.solargroup.com Also, some policies & internal documents are available on company Intranet page.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, all the policies are translated into procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Code of Conduct and other applicable policies extends to our value chain partners.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Solar's has developed policies that align with key national standards, including the Factories Act, 1948, Companies Act, 2013, Listing Regulations, and other relevant statutes. Solar's manufacturing facilities have well defined Quality, Environment, Health & Safety management systems in place and are aligned with the global standards. Solar has following codes & certifications: 1. Quality Management System- ISO 9001:2015 2. Environment Management System- ISO 14001:2015 3. Occupation Health & Safety Management System- ISO 45001:2018 4. CE Certification for Detonators and Shock Tube 5. NABL Certification (ISO/IEC 17025:2017) for Defence Products. Solar has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and biodiversity conservation etc. The ESG section forming part of this Integrated Annual Report provides details about the ESG Objectives of the Company.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	In Order to achieve such targets, the Company has established management systems that entail regular monitoring of Environment KPI's and reviewing progress on a regular basis to ensure that businesses are aligned with ESG Goals. We track key parameters in policies and record them for learning and development to enhance our policies. Please refer ESG Section on page no. 66 of Integrated Annual Report Financial Year 2025-26 for more information.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
The policies relevant to the respective NGRBC Principles are listed below:									
P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	- Code of Conduct for Directors, Senior Management & Employees - Code on Prohibition of Insider Trading - Dividend Distribution Policy - Policy on Determination of Material Subsidiary - Policy on Determination of Materiality for Disclosure of Events or Information - Related Party Transactions Policy - Vigil Mechanism or Whistle Blower Policy - Charter of the Audit Committee - Employee Health and Safety Policy ("EHS") - Code of conduct for Employees (Vyavahar Sanhita). - Code of Conduct to Regulate, Monitor and Report Trading by Designated Person. - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. - Anti-corruption and Anti-bribery policy.								
P2 Businesses should provide goods and services in a manner that is sustainable and safe	- The Solar's Supplier Code of Conduct - EHS Policy (Internal document) - Human right policy (Internal document) - Code of Conduct for Directors, Senior Management & Employees								
P3 Businesses should respect and promote the well-being of all employees, including those in their value chains	- Nomination and Remuneration Policy - Sexual Harassment Policy - Vigil Mechanism or Whistle Blower Policy - The Solar's Supplier Code of Conduct (Internal policy Document) - Human Rights policy (Internal document) - EHS Policy (Internal document) - Prevention of Sexual Harassment at workplace - Code of conduct for Employees (Vyavahar Sanhita)								

Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
P4 Businesses should respect the interests of and be responsive to all its stakeholders	1. Divided Distribution policy 2. Code on Prohibition of Insider Trading 3. Policy on Determination of Materiality for Disclosure of Events or Information 4. Related Party Transactions Policy 5. Corporate Social Responsibility Policy 6. Code of conduct for Employees (Vyavahar Sanhita).								
P5 Businesses should respect and promote human rights	1. Code of Conduct for Directors, Senior Management & Employees 2. Human Rights policy 3. Nomination and Remuneration Policy 4. The Solar's Supplier Code of Conduct (Internal policy Document) 5. EHS policy								
P6 Businesses should respect and make efforts to protect and restore the environment	1. EHS policy 2. Risk Management Policy								
P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	1. Code of Conduct for Directors, Senior Management & Employees								
P8 Businesses should promote inclusive growth and equitable development	1. Corporate Social Responsibility Policy 2. The Solar's Supplier Code of Conduct (Internal policy) 3. Human Rights policy (Internal document)								
P9 Businesses should engage with and provide value to their consumers in a responsible manner	1. Cyber Security Policy 2. Code of Conduct for Directors, Senior Management & Employees								

Disclosure Questions	P1 Ethical & Transparent business conduct	P2 Sustainable and safe goods	P3 Well-being of Employees	P4 Interest of Stakeholders	P5 Promote Human rights	P6 Protect & Restore Environment	P7 Public Policy Advocacy	P8 Diversity & Inclusion	P9 Value to Consumers
Governance, leadership and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievement	Please refer to the MD's statement in the Integrated Annual Report Financial Year 2025-26.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	At highest level the Board of Directors of the Company represented by Shri Manish Nuwal (Managing Director & Chief Executive Officer) has the primary role in the strategic supervision of the ESG Policies of the Company. The Company's CSRS Committee of the Board is responsible for ensuring implementation of the Sustainability objectives of the Company and monitors and evaluates the compliance with these Policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	1. Risk Management Committee (RMC): The Risk Management Committee has formulated a comprehensive Risk Management Policy which lays down a structured framework for identification, assessment and management of both internal and external risks faced by the Company. The policy, inter alia, covers financial, operational, sectoral, sustainability-related risks (including ESG risks), information security, cyber security and other material risks as may be identified by the Committee from time to time. It also provides for appropriate risk mitigation measures, internal control systems, processes and a business continuity plan. The Risk Management Committee ensures that robust methodologies, processes and systems are in place to effectively monitor, evaluate and manage risks associated with the Company's business operations, thereby supporting long-term sustainability goals. 2. Corporate Social Responsibility and Sustainability (CSRS) Committee: The Corporate Social Responsibility Committee is responsible for defining the focus areas and guiding the initiatives undertaken by the Company under the CSR framework, with a strong emphasis on sustainable development. The Committee formulates and recommends the Annual Action Plan, monitors the allocation and utilization of CSR budgets and oversees the implementation and progress of CSR projects. It periodically reviews the impact and outcomes of initiatives undertaken towards social development, environmental protection and community well-being and provides strategic direction to enhance their effectiveness. The Committee also ensures that CSR initiatives are aligned with the Company's sustainability priorities, including environmental sustainability, inclusive growth, employee and community welfare and responsible resource utilization. Through its oversight of social and community development initiatives, environmental sustainability projects the CSR Committee plays a key role in advancing the Company's sustainability objectives and creating long-term, shared value for communities, particularly in and around the areas of the Company's operations.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes, done by Executive management, relevant committee & Board on annual basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non- compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓	The Company is in compliance with applicable laws & regulations.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No) If yes, provide name of the agency	Policies are currently evaluated internally. Third-party assessments and certifications will be conducted as and when required.								
12. If answer to question (1) above is "No" i.e not all principles are covered by a policy, reasons to be stated. The entity does not consider the principles material to its business (Yes/No) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) The entity does not have the financial or/human and technical resources available for the task (Yes/No) It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)	Answer to question (1) above is "No", hence this question is Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE



Principle 1:

Businesses should conduct and govern themselves with Integrity and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	During FY 2025-26, the Board and its Committees were regularly apprised of key regulatory, economic, operational, governance, technology and risk-related developments. Independent Directors were provided with periodic updates on business strategy, new initiatives, strategic investments, compliance matters, and emerging risks through Board and Committee meetings. The Company also conducted familiarisation programmes for the newly appointed Independent Director. Further, presentations on business performance, strategic priorities, regulatory developments, CSR initiatives and ESG matters were periodically made to the Board. The Board and Audit Committee were regularly updated on significant compliance matters, risk indicators, audit observations, and related management action plans.	100%
Key Management Personnel-	4	Considering the positions Key Managerial personnel holds in the company, SOLAR has designed training programs specifically for the leadership team, covering important topics to enhance their skills and competencies. The key training sessions covered important topics such as the Code of Conduct, Related Party Transactions, Corporate Governance, Companies Act, 2013, SEBI regulations as applicable to the Company, ESG matters which focused on corporate governance and good corporate citizenship. Additionally, the sessions also addressed the Company's whistleblower policy and its sustainability policies.	100%
Employees other than BODs and KMPs	60 Sessions	During the reporting period, the Company conducted a wide range of focused training and capacity-building programs for employees and workers, covering workplace ethics, occupational health and safety, environmental management, digital security, operational excellence and skill enhancement POSH refresher sessions were conducted through in-person programs to reinforce awareness of workplace rights, dignity at work and grievance redressal mechanisms. Occupational health and safety were strengthened through extensive training on plant and process safety, hazardous energy management, fire fighting and emergency response, on-site emergency planning, chemical and explosive handling, dust explosion mitigation, work permit systems, HIRA and Job Hazard analysis, PPE usage, first aid, and compliance with statutory requirements.	85%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		Environmental sustainability and regulatory compliance were reinforced through dedicated programs on environmental clearances and consent conditions, environmental management systems, waste management, process safety and responsible handling of hazardous materials, promoting resource efficiency, pollution prevention, and environmental stewardship across operations. Skill development initiatives included technical training in process flow diagrams, analytical tools for quality control and product characterization and functional programs such as cybersecurity and data security awareness. The "train the trainer" initiative further enhanced operational efficiency, quality culture and continuous improvement. These comprehensive training initiatives reflect the Company's commitment to creating a safe, compliant, skilled, and environmentally responsible workforce, while embedding sustainability, risk awareness, and operational excellence into everyday business practices.	
Workers	27 Sessions	Safety training was provided to workers on a continuous basis, with structured programs designed to strengthen workplace safety, operational discipline and job-specific skills. The Company conducts regular training on plant and process safety, chemical and explosive hazard management, emergency preparedness, dust explosion mitigation, work permit systems, and job hazard analysis. Programs also cover safe handling of detonators, explosives, waste management practices, and compliance with safety protocols. Awareness sessions on 5S practices, POSH, cyber security, and overall safety culture are also conducted to promote a disciplined, safe, and responsible work environment.	86%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement					
Compounding fee					
		No cases reported during FY 2025-26			
b. Non-Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case		Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment					
		No cases reported during FY 2025-26			

[Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website]:

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

No cases reported during FY 2025-26

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web - link to the policy.

The Company has a comprehensive Anti-Corruption and Anti-Bribery Policy that prohibits all forms of bribery and corruption and applies to employees, Board Members, Senior Management and relevant third parties. Supported by strong controls, periodic reviews, training programmes and whistleblower mechanisms, the Company follows a zero-tolerance approach to bribery and corruption and promotes ethical business practices across its operations and value chain.

The policy highlights our responsibilities to be compliant to the anti-corruption laws and to combat corruption risks. The policy document can be accessed at the following: <https://solargroup.s.gy/acbp>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest of Directors and KMP:

Particulars	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of Conflict of Interest of KMP's	Nil	N.A.	Nil	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No cases or complaints received in the above matters.

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payable	41	60

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses* as % of total purchases	18	11.19
	b. Number of trading houses where purchases are made from	601	697
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	76	37
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	14	21
	b. Number of dealers / distributors to whom sales are made	303	285
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	37	41

Parameter	Metrics	FY 2025-26	FY 2024-25
Share of RPTs** in	a. Purchases (Purchases with related parties / Total Purchases)	11	7
	b. Sales (Sales to related parties / Total Sales)	18	14
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100	100
	d. Investments (Investments in related parties/Total Investments made)	84	67

* We have classified all the Vendors other than Manufacturers and Service Providers as Trading Houses.

**Related party transactions are as per the standalone financial statements of the Company.

Leadership Indicator

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel, which sets out the principles and guidelines for identifying, disclosing and managing actual or potential conflicts of interest. The Code emphasizes the need to avoid situations where personal interests may conflict with the interests of the company and requires timely disclosure of any such interests.

Members of the Board of Directors and Senior Management Personnel are required to disclose, on a periodic basis, any direct or indirect interest or involvement in transactions of the Company to the Board, in accordance with applicable laws and the Company's policies. In the event of any actual or potential conflict of interest, the concerned Director is obligated to promptly report the same and obtain necessary approvals as prescribed.

The Company obtains an annual declaration from all Directors confirming compliance with the Code of Conduct, including provisions relating to conflicts of interest. Transactions involving Directors or entities in which they have an interest are subject to prior approval of the Audit Committee, in line with the applicable related party transaction framework. Directors abstain from participating in discussions or decision making on matters in which they are interested or deemed to be interested. In addition, Independent Directors are governed by the Code for Independent Directors, which, inter alia, includes specific provisions for avoidance and disclosure of conflicts of interest.

Principle 2:

Businesses should provide goods and services in a manner that is Sustainable and Safe.

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	Current Financial Year FY 2025-26	Previous Financial Year FY 2024-25	Details of improvement in social and environmental aspects
R&D	-	-	Nil
CAPEX	10.09%	5.16%	Nil

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company has implemented a Supplier Code of Conduct designed to enhance sustainability across the supply chain. This commitment goes beyond our manufacturing facilities, targeting selected suppliers of key raw materials. Our vendor selection and onboarding processes involve comprehensive assessments of environmental compliance, ensuring adherence to relevant rules and regulations. We prioritize suppliers who are committed to responsible practices, sustainable sourcing, and full compliance with these standards.

b. If yes, what percentage of inputs were sourced sustainably?

During FY 2025-26, around 51% of our inputs were sourced sustainably, either through the company's sustainable sourcing programs and/ or certified to meet social and environmental standards. These standards include SA 8000, ISO 14001, OHSAS 18001, or recognized labels such as the Rainforest Alliance, Rugmark, and the Roundtable on Sustainable Palm Oil (RSPO), among others.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

In adherence to the Explosives Rules of 2008 and the guidelines provided by the Petroleum & Explosives Safety Organization, the reuse or recycling of the Company's products is prohibited due to their explosive nature. Nonetheless, our project and operation sites have systems in place to recycle, reuse, and disposal of waste generated during operations, following all relevant regulations.

The Company further underscores its commitment to environmental responsibility by implementing sustainable practices in the management of packaging materials. Predominantly corrugated fiberboard boxes are collected from customer sites by local vendors and subsequently sold to paperboard recyclers. This process ensures responsible disposal and recycling, aligning with the Company's broader environmental stewardship goals.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicator**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
LCA has not been carried out in the FY 2025-26					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

Principle 3:

Businesses should respect and promote the well-being of all Employees, including those in their Value Chains.

ESSENTIAL INDICATORS**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	%(E/A)	%(F/A)
				Permanent Employees							
Male	1274	1274	100	1274	100	-	-	1274	100	1235	100
Female	136	136	100	136	100	136	100	-	-	136	100
Total	1410	1410	100	1410	100	136	100	1274	100	1410	100
				Other than Permanent Employees							
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	% (E/A)	% (F/A)
Permanent Workers											
Male	922	922	100	922	100	-	-	922	100	922	100
Female	19	19	100	19	100	19	100	-	-	19	100
Total	941	941	100	941	100	19	100	922	100	941	100
Other than Permanent Workers											
Male	4048	4048	100	4048	100	-	-	4048	100	4048	100
Female	1047	1047	100	1047	100	1047	100	-	-	1047	100
Total	5095	5095	100	5095	100	1047	100	4048	100	5095	100

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 25-26	FY 2024-25
	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.1*	0.2

* Well-being measures are calculated as per ISF's guidelines which includes Insurance, Maternity and Paternity benefits, and Other Health and Safety Measures.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Sr.No. Benefits		FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	Provident Fund	100	100	Yes	100	100	Yes
2	Gratuity	100	100	Yes	100	100	Yes
3	ESI	1	70	Yes	3	75	Yes
4	Others-Please Specify	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to providing employees and workers with disabilities the essential infrastructure and amenities needed to perform their duties safely and efficiently.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has policy on Diversity Equity and inclusion.

Link: <https://solargroup.s.gy/dei>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
	Permanent Employees		Permanent Workers	
Male	100%	100%	Nil	Nil
Female	100%	100%	Nil	Nil
Others	N.A.	N.A.	N.A.	N.A.
Total	100%	100%	Nil	Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, the Company has a robust grievance redressal system designed to accommodate the concerns of both permanent and non-permanent employees and workers through the Grievance Redressal Policy available on the intranet. Employees are encouraged to initially communicate their grievances to their departmental heads or Human Resource representatives, while workers direct their concerns to their respective supervisors. This approach aims to facilitate swift resolution and ensure transparency and fairness throughout the process. Furthermore, the Company supports an open-door policy to uphold an open and transparent culture, allowing employees to discuss issues with their functional leaders or heads directly.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Grievances Redressal Policy
Other than Permanent Workers	Yes, Grievances Redressal Policy
Permanent Employees	Yes, Grievances Redressal Policy
Other than Permanent Employees	Yes, Grievances Redressal Policy

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 25-26 Current Financial Year			FY 24-25 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Male	1274	0	0	1235	0	0
Female	136	0	0	107	0	0
Others	0	0	0	0	0	0
Total	1410	0		1342	0	
Male	922	922	100	1029	1029	100
Female	19	19	100	32	32	100
Others	0	0	0	0	0	0
Total	941	941	100	1061	1061	100

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
	Employees									
Male	1274	1274	100	1274	100	1235	1235	100	1235	100
Female	136	136	100	136	100	107	107	100	107	100
Total	1410	1410	100	1410	100	1342	1342	100	1342	100
	Workers									
Male	922	922	100	922	100	1029	1029	100	1029	100
Female	19	19	100	19	100	32	32	100	32	100
Total	941	941	100	941	100	1061	1061	100	1061	100

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	1274	1274	100	1235	1235	100
Female	136	136	100	107	107	100
Total	1410	1410	100	1342	1342	100
Permanent Workers						
Male	922	922	100	1029	1029	100
Female	19	19	100	32	32	100
Total	941	941	100	1061	1061	100

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). What is the coverage of such system?**

Yes, the Company enforces a comprehensive Environmental, Health, and Safety (EHS) policy across all its facilities, supported by ISO 45001 certification at key manufacturing sites.

Each workplace implements a health and safety management system for all employees and workers, complemented by regular training at plant sites. The EHS Department and safety committees collaborate to achieve safety goals and prevent incidents, reflecting senior management's commitment to a proactive safety culture

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company is committed to ensuring a safe and healthy workplace as a cornerstone of employee well-being. We have instituted an Occupational Health and Safety Management System that promotes a culture of safety through comprehensive training programs and continuous investment in advanced technology to uphold the highest safety standards. To proactively manage risks, we conduct Hazard Identification and Risk Assessment (HIRA) and Hazard and Operability Study

(HAZOP) studies, focusing on identifying operational risks. Monitoring near-miss incidents, unsafe acts and conditions, along with regular mock drills, enhance our preventive measures' effectiveness. Our risk management strategy employs a range of qualitative and specialized tools, including EHS inspections, fire safety measures, third-party EHS audits, and disaster management plans. Additionally, strict controls are in place, such as work permit systems, regular safety and fire drills, emergency preparedness measures like sirens and lights across all plants, fire safety equipment, safety committees, patrols, and comprehensive safety training programs.

We conduct annual medical health check-ups for all employees, provide both internal and external safety audits, and ensure accessibility to occupational health centers at all Company plants. Through such measures, we maintain a robust framework for hazard prevention and risk mitigation, further supported by our major operational sites' certification with ISO 45001.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

The Company has established a robust system for identifying and reporting work-related hazards, facilitated by an online incident reporting platform that monitors occurrences across all manufacturing facilities. After incidents are reported, Corrective and Preventive Action

(CAPA) reports are generated and distributed to relevant personnel, aiming to prevent future similar incidents. Employees and workers receive ongoing training and appropriate personal protective equipment (PPE) to minimize safety incidents. Our workplace safety systems actively capture leading and lagging indicators regarding hazards, including monitoring of near-misses, safety observations, and initiatives like Night Duty Officers (NDO) and toolbox talks.

Compliance is assured through dedicated site professionals conducting regular audits and monitoring practices. Major operational sites are certified with ISO 45001, aligning safety systems with risk assessments. Hazard control programs feature active involvement from workers and contractors, with roles clearly explained in local languages to ensure understanding and protection from risks. Safety signboards are prominently displayed, and evacuation plans with accessible routes and safe assembly points are established for efficient response to emergencies.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

The Company maintains a well-equipped Occupational Health Centre, staffed with full-time doctors and ambulance services, to ensure comprehensive healthcare support for employees and workers. In addition, both employees and their immediate family members receive medical insurance or ESI benefits, covering hospitalization for various medical conditions. Employees and workers also have access to non-occupational medical services and healthcare support, including health counseling following periodic medical examinations.

Our health and first-aid centers are outfitted with essential medical equipment. Furthermore, the Company has established partnerships with local multi-specialty hospitals to provide specialized care through the insurance and ESIC coverage offered to all eligible individuals.

11. Details of safety related incidents, in the following format:

Safety Incident/Number*	Category	FY 25-26	FY 24-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.92	NIL
	Workers	1.62	NIL
Total recordable work-related injuries [#]	Employees	7	NIL
	Workers	15	NIL
No. of fatalities	Employees	1	NIL
	Workers	1	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	NIL
	Workers	2	NIL

*Including in the contract workforce

[#] Total recordable work-related injuries includes fatalities and High consequence work-related injury or ill-health.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Aligning with the Company's Environmental, Health, and Safety (EHS) policy, a variety of proactive strategies are employed to ensure a safe and healthy workplace for all employees and workers, with a strong emphasis on cutting-edge technologies and systematic standards –

1. Conducting Comprehensive Studies and Surveys: The Company performs Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Studies (HAZOP), and fire risk assessments to systematically identify and manage process safety hazards.
2. Implementing Safety Management Systems: We apply a comprehensive health and safety management system at all key manufacturing facilities, aligned with ISO 45001, covering the entire workforce, including contractors and visitors.
3. Prioritizing Training: A Behavior-Based Safety Management approach is adopted, providing regular training to equip employees with essential safety skills, including first aid, firefighting, and emergency protocols.

4. Promoting Safety Awareness: Through initiatives such as Safety Week and internal competitions, the Company promotes a positive safety culture and fosters collective safety commitment among stakeholders. An internal safety audit mechanism ensures compliance and facilitates timely resolution of issues

Measures for a Safe Workplace:

- Employees receive continuous education in technical operations, fire prevention, and general safety, with visual safety boards throughout the plant.
- Emergency Preparedness and Response Plans are reinforced through regular mock drills.
- A permit-to-work system and machine safety inspections ensure pre-assessment and ongoing safety patrols of plant premises.
- Risks are identified, and corrective and preventive actions (CAPA) are applied following the hierarchy of risk controls.
- Engineering and design controls are enhanced alongside safety-instrumented systems.

- Operational procedures are regularly reviewed, with continuous EHS training to ensure competency.
- Critical systems, including fire protections, PPE, occupational health surveillance, and Material Safety Data Sheets (MSDS) for flammable materials, are provided and maintained.
- Monitoring and measuring mechanisms are prioritized, supported by internal and external audits to ensure compliance and drive improvements.
- Occupational Healthcare Centers, staffed with skilled medical professionals, are accessible across our factories, offering periodic medical check-ups to support a safe and healthy working environment.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

Topic	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company undertakes comprehensive investigations of all safety-related incidents and disseminates findings throughout the organization. This approach ensures implementation of corrective measures to avert similar incidents, with the effectiveness of these actions assessed during safety audits. Furthermore, significant risks identified in health and safety evaluations are addressed by eliminating manual tasks through technological advancements and digitization, enhancing safety capabilities via targeted training and development, and reinforcing monitoring and supervision protocols.

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (a) Employees (Y/N) (B) Workers (Y/N)?

The Company ensures that all employees and workers are included under the life insurance policy. In addition, employees receive coverage under a Mediciam policy, while workers are protected by ESIC policy benefits. In the unfortunate event of an employee's death, the Company extends financial support to the bereaved families beyond the insurance provisions.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has established robust mechanisms to ensure that all necessary statutory dues related to transactions with value chain partners are appropriately deducted and deposited in compliance with relevant laws

3. Provide the number of employees/ workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY	FY	FY	FY
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Employees	1	0	0	0
Workers	3	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

The Company offers comprehensive support to employees transitioning due to retirement or termination, providing assistance through training and counseling for adapting to a non-working life. Through dedicated programs, the Company equips employees with tailored training initiatives to empower them in making informed financial planning decisions.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Assessed
Working Conditions	Not Assessed

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

Principle 4:

Businesses should respect the interests of and be responsive to all its Stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company's strategy and business model are firmly anchored by a stakeholder-centric approach. By proactively understanding and responding to the evolving expectations of its stakeholders, the Company is able to take informed, balanced, and forward-looking decisions. Stakeholders are identified as individuals or groups that have an interest in, are impacted by, or contribute value to the Company's business activities. These include customers, shareholders, investors, lenders, employees, value chain partners, vendors, regulators, government authorities, media, and the society at large.

The Company places significant emphasis on constructive engagement with its stakeholders and has established multiple communication channels and engagement mechanisms to facilitate transparent, inclusive, and fair dialogue. Continuous stakeholder feedback helps the Company strengthen relationships, manage risks, and create long-term sustainable value for all stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Solar believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Refer stakeholders' engagement section on Page No. 28 of Integrated Annual Report Financial Year 2025-2026 for further details.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (yes/no)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	- Reports - One-to-one Interaction - Events - E-mail communication - Letters	Engagement as per need	- Compliance with industry norms, laws and regulations in substance and spirit - Transparent Disclosers - Participation in various industry forums and meets. - Collaboration on national agenda such as Make in India

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (yes/no)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Employee Engagement surveys - Joint Consultation system - Grievance mechanism - Rewards and Recognition - Face to Face interactions - Cultural events - Training and Workshops.	Annually, Periodic, event based, continuous	- Employee well-being and safety - Fair wages and compensations per industry standards - Learning and Development - Occupational health and safety - Growth opportunities - Talent and skill management - Diversity and inclusion - Job security
Customers	No	- One-to-One Interactions - Site-Visits - Customer Meeting - E-mails - Feedback mechanism – Online Survey - Digital channels - Trial and improvement programs - Safety Week Interaction - Conferences - New Product Introduction	Continuous, Periodic, Need based, Annually	- About Product safety quality reliability - Confidentiality in case of Sensitive Contracts - Operational efficiency & Improvements - Innovative products and their application - Digital use of data
Business partners	No	- E-mail communication - Site Visits - One-to-One Interactions - Business partner survey - Structured meetings	Annually, Need based, Continuous, Periodic	- Timely payments - Fair and long-term business relations - Capacity building - Transparency - Value Creation
Communities	Yes*	- CSR initiatives - Face to face interaction - Field visits - Collaborations through NGO's	Engagement as per need	- Upliftment of society - Live hood opportunities - Health and sanitation initiatives
Shareholders and Investors	No	- Annual general meeting - Conference call - News channels - Investor Grievance redressal mechanism - Annual report - Press release - Website updates - Stock Exchange releases	Quarterly, Annually, periodic Event based	- Consistent, competitive and profitable growth and returns. - Consistent dividend payouts. - Superior stakeholder returns through optimal utilization of resources. - Better disclosures, transparency and credibility of financials - Effective risk management - Create high shareholder value - Sound governance practices. - Communicate performance and future growth plans

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (yes/no)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Media	No	• Newspaper • Pamphlets • Advertisement • Press Release	Event Based	• Growth, • Awareness • Public Image

*The Company undertakes various CSR activities for the local communities. The majority of beneficiaries of these CSR activities can be termed as vulnerable or marginalized.

Leadership Indicator

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Respective business / functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable. They act as a link between the Board & Stakeholders and are responsible for seeking feedback, inputs, suggestions from the Board on ESG topics. The respective heads take initiative on prioritising our strategies, and action plans to address our economic, environmental, and social impacts.

Materiality Assessment is one of the ways of identifying material issues along with ESG issues in consultation of various stakeholders. This is done through circulating questionnaire among stakeholders to assess and rank the relative importance of selected ESG topics. The outcome of the assessment is plotted on the graph so as to focus ESG initiatives and building out a comprehensive strategic framework. In the year 2025, Materiality assessment has been carried out.

We have different committees which take care of matters related to different stakeholders including ESG topics & inform the board about the updates. Viz, Risk Management Committee (RMC), Corporate Social Responsibility and Sustainability Committee (CSRS) etc.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, to create long-term value, we take steps to understand each stakeholder group's needs and priorities. The Materiality Assessment was conducted in FY 2025. In consultation with stakeholders, we identified the material issues. After taking poll, issues were prioritised & plotted on a graph. This helped us formulating time bound ESG targets, short term/long term plans and goals with a monitoring mechanism.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company identifies the need of communities, including vulnerable and marginalised groups and accordingly works on various programs through Corporate Social Responsibility initiatives. The initiatives undertaken by the Company under the thrust areas of Corporate Social Responsibility initiatives are undertaken after assessing the need of the communities including the vulnerable/ marginalised stakeholder groups and other members of the community. The Company has undertaken the initiatives like provision of low-cost medical facilities for such classes of people, Skill development programme for Women, Infrastructural development of Schools for underprivileged children etc.

Principle 5:**Businesses should respect and promote Human Rights**

Respecting human rights is fundamental to our values, policies and business strategy. The Company is determined to have a workplace where everyone is treated equitably, without any discrimination based on gender, caste, creed, or religion.

ESSENTIAL INDICATORS**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Male	1274	1274	100	1235	1235	100
Female	136	136	100	107	107	100
Others	-	-	-	-	-	-
Total	1410	1410	100	1342	1342	100
Other than Permanent Employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
Workers						
Male	922	922	100	1029	1029	100
Female	19	19	100	32	32	100
Others	-	-	-	-	-	-
Total	941	941	100	1061	1061	100
Other than Permanent Workers						
Male	4048	4048	100	3851	3851	100
Female	1047	1047	100	784	784	100
Others	-	-	-	-	-	-
Total	5095	5095	100	4635	4635	100
Grand Total	7446	7446	100	7038	7038	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to		More than		Total (D)	Equal to		More than	
		Minimum Wage		Minimum Wage			Minimum Wage		Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	1274	-	-	1274	100	1235	-	-	1235	100
Female	136	-	-	136	100	107	-	-	107	100
Others	-	-	-	-	-	-	-	-	-	-
Total	1410	-	-	1410	100	1342	-	-	1342	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-	-	-	-
Permanent Workers										
Male	922	-	-	922	100	1029	-	-	1029	100
Female	19	-	-	19	-	32	-	-	32	100
Others	-	-	-	-	100	-	-	-	-	-
Total	941	-	-	941	100	1061	-	-	1061	100

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to		More than		Total (D)	Equal to		More than	
		Minimum Wage		Minimum Wage			Minimum Wage		Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
	Other than Permanent									
Male	4048	-	-	4048	100	3851	-	-	3851	100
Female	1047	-	-	1047	-	784	-	-	784	100
Others	-	-	-	-	100	-	-	-	-	-
Total	5095	-	-	5095	100	4635	-	-	4635	100
Grand Total	7446	-	-	7446	100	7038	-	-	7038	100

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	14,59,153	-	-
Key Managerial Personnel*	4	12,71,506	2	3,89,461
Employees other than BoD and KMP	1,270	39,688	134	33,908
Workers	922	23,045	19	21,379

* Key Managerial Personnel includes Board of Directors

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	10.2%	8.37%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The Human Resource department through its department heads have the functional responsibility for addressing the grievances redressal related to human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a Human rights policy that guides in case of any grievance reported related to Human rights, evaluation is carried out basis which remediation action is planned by Human Resource Department.

The Company has adopted employee-oriented policies covering areas such as Human Rights Policy, Diversity, Equity and Inclusion Policy, Code of Conduct and Business Ethics, Whistle Blower Policy and prevention of sexual harassment at workplace, which endeavors to provide an environment of care, nurturance and opportunity to accomplish professional aspirations and provide a safe redressal mechanism for employee grievances. With regards to internal mechanisms centered around the policies, the head of Human Resources function ensures that all employee-related grievances are suitably investigated, and action is taken as per due process stipulated in the respective redressal policies. Anonymous grievances are also investigated appropriately.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company maintains a zero-tolerance approach towards sexual harassment and discrimination at the workplace. In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, the Company has constituted an Internal Complaints Committee to address complaints relating to sexual harassment.

The Company ensures that all complaints are handled with utmost sensitivity, confidentiality, and fairness, in line with applicable laws and internal policies. Adequate mechanisms are in place to promote awareness, encourage reporting, and ensure timely redressal, thereby fostering a safe, respectful, and inclusive work environment for all employees.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No).

Yes, Human rights requirements forms a part of the company's agreements and Contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100
Forced/involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Based on the current year assessment, no gaps have been identified necessitating corrective actions.

Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Human rights are a fundamental part of our governance framework, and our Human Rights Policy embodies our commitment to treating all employees with dignity and respect while maintaining a zero-tolerance approach toward any form of abuse or violation. We have not received any human rights complaints during the financial year under review.

To ensure compliance across our value chain, we require vendors and partners to strictly follow our Suppliers Code of Conduct. These ongoing efforts help us strengthen our human rights practices.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Our human resources department drives the implementation of human rights policies and processes to ensure adherence across the organization. The Code of Conduct (CoC) underpins our commitment to ethical practices, applying to all employees. Our Whistleblower Policy ensures confidentiality and robust identity protection for both permanent and contractual employees, along with efficient mechanisms to address grievances. Vendors and service providers are required to comply with our Supplier Code of Conduct.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, our offices and facilities are fully accessible to individuals with disabilities.

Principle G:

Businesses should respect and make efforts to protect and restore the Environment.

ESSENTIAL INDICATORS**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
From renewable sources(GJ)		
Total electricity consumption (A)	11,921	15,302
Total fuel consumption (B)	1,49,138	1,82,826
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	1,61,059	1,98,128
From non-renewable sources(GJ)		
Total electricity consumption (D)	1,10,213	92,346
Total fuel consumption (E)	7,30,605	6,94,643
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	8,40,818	7,86,989
Total energy consumed (A+B+C+D+E+F) (GJ)	10,01,877	9,85,117
Energy intensity per rupee of turnover	179.58	221.05
(Total energy consumed / Revenue from operations)	(GJ / ₹ in crores)	(GJ / ₹ in crores)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	3652.75	4,566.83
	(GJ / ₹ in crores)	(GJ / ₹ in crores)
Energy intensity in terms of physical output	1.84	1.80
	(GJ / MT)	(GJ / MT)
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Notes:

- 16.08% of energy is consumed from renewable sources in relation to total energy consumed.
- The Purchasing Power Parity (PPP) factor considered for FY 2025-26 is 20.34 as recommended by IMF (FY 2024-25: 20.66 recommended by IMF)
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? b. If Yes, name of the external agency
Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (a) If yes, disclose whether targets set under the PAT scheme have been achieved. (b) In case targets have not been achieved, provide the remedial action taken, if any.

PAT scheme is not applicable to the Company.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	10,808	22,833
(ii) Ground water	4,95,752	4,59,935
(iii) Third party water	18,838	24,068
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	5,25,398	5,06,836
Total volume of water consumption (in kiloliters)	5,25,398	5,06,836
Water intensity per rupee of turnover	94.18	113.73
(Total water consumption / Revenue from operations)	(KL / ₹ in crores)	(KL / ₹ in crores)
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	1,915.55	2,349.60
	(KL / ₹ in crores)	(KL / ₹ in crores)

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water intensity in terms of physical output	0.97 (KL / MT)	0.93 (KL / MT)
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Notes:

- The Purchasing Power Parity (PPP) factor considered for FY 2025-26 is 20.34 as recommended by IMF (FY 2024-25: 20.66 recommended by IMF).
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? b. If Yes, name of the external agency
Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharged by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Note:

- The company does not discharge any water from its operations; additionally we have taken initiatives to reduce our dependency on fresh water.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The company implements various tertiary treatment measures to achieve Zero Liquid Discharge (ZLD), such as :

- Effluent Treatment Plant (ETP 350 CMD) facility, which includes primary, secondary, and tertiary treatment for all product processes.
- Multi Effect Evaporation Plant with a capacity of 200 KLD, aimed at achieving ZLD.
- Sewage Treatment Plant (STP 150 CMD & 10 CMD) utilizing UF technology for sewage effluent treatment and recycling, specifically for garden.
- One of the Solar's ETP (15 CMD) employs a Neutralization System for treated water recycling back to the process plant

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 2025-26	FY 2024-25
		Current Financial Year	Previous Financial Year
NOx	MT/A	10.20	11.86
SOx	MT/A	14.28	11.36
Particulate matter (PM)	MT/A	5.61	7.05
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note:

1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
		Current Financial Year	Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	Metric tonnes of CO ₂ equivalent	69,065	65,713
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ if available)	Metric tonnes of CO ₂ equivalent	21,735	18,649
Total Scope 1 and Scope 2 emissions (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		16.28 (MT / ₹ in crores)	18.93 (MT / ₹ in crores)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		331.05 (MT / ₹ in crores)	391.09 (MT / ₹ in crores)
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.17 (tCO ₂ e / MT)	0.15 (tCO ₂ e / MT)
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity.		NA	NA

Note:

1. The Purchasing Power Parity (PPP) factor considered for FY 2025-26 is 20.34 as recommended by IMF (FY 2024-25: 20.66 recommended by IMF).
2. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).
3. Scope 1 Emission factors are reported as per the UN's Intergovernmental Panel on Climate Change (IPCC), 2006.
4. For Diesel, we have taken density as 0.84 kg/m³ as per Indian standards.
5. Scope 2 Emissions are reported with grid emission factor from Version 21 of the Central Electrical Authority's CO₂ database.
6. For Financial Year 2025-26, the biogenic CO₂ emissions from combustion of biomass (briquettes) was 14,914 MT.
7. Although absolute emissions increased during the year, revenue emissions intensity decreased by 14%, reflecting improved carbon efficiency.
8. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Yes, the Company initiatives are aligned with emissions management towards minimizing carbon footprint. Some of the initiatives are as follows:

1. Transition to Brushless Direct Current (BLDC) Fans: Traditional ceiling fans across all offices and buildings were upgraded to energy-efficient BLDC models, generating significant savings in annual power consumption.
2. Deployment of Air-Operated Double Diaphragm (AODD) Pumps in Crystallizers: The existing hot water centrifugal pumps were swapped out for AODD pumps, enhancing operational safety while simultaneously cutting down yearly energy usage.
3. Diesel Generator (DG) Synchronisation Initiative: A synchronisation project was launched to integrate DG sets into a closed-loop power network. This setup enables seamless automatic backup, supplies load on demand to minimise diesel usage, offers greater maintenance flexibility, and boosts overall system reliability.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	527.39	579.16
E-waste (B)	4.87	4.52
Bio-medical waste (C)	0.005	0.005
Construction and demolition waste (D)	400	-
Battery waste (E)	7.53	4.80
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	2,200.38	1,825.27
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	10,721.57*	5,015.03
Total (A+B + C + D + E + F + G+ H)	13,861.73	7,428.78
Waste intensity per rupee of turnover	2.48	1.67
(Total waste generated / Revenue from operations)	(MT / ₹ in crores)	(MT / ₹ in crores)
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	50.54	34.44
(Total waste generated / Revenue from operations adjusted for PPP)	(MT / ₹ in crores)	(MT / ₹ in crores)
Waste intensity in terms of physical output	0.03	0.01
	(MT / MT)	(MT / MT)
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

* Other non-hazardous waste generation has increased significantly on account of increase in boiler capacity which has resulted in bed ash generation w.e.f. FY 2025-26.

Note:

1. The Purchasing Power Parity (PPP) factor considered for FY 2025-26 is 20.34 as recommended by IMF (FY 2024-25: 20.66 recommended by IMF)

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
(i) Recycled	2,231.84	2,253.42
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	2,231.84	2,253.42

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 25-26	FY 24-25
	Current Financial Year	Previous Financial Year
(i) Incineration	1,966.50	1,556.36
(ii) Landfilling	9,425.36	3,544.47
(iii) Other disposal operations	0	0
Total	11,391.86	5,100.83

Note : Indicate if any independent assessment/ evaluation/ assurance has been carried out for Waste Category by an external agency? If yes, name of the external agency

Yes, Reasonable Assurance has been carried out by Moore Singhi Advisors LLP

10. a. Briefly describe the waste management practices adopted in your establishments.

The Company has a robust mechanism for waste handling, transportation and disposal aligning closely with regulations and guidelines set by the Central/ State Pollution Control Boards (CPCB/ SPCB). Embracing the concept of circular economy - Reduce, Reuse, and Recycle -to minimize the waste by using alternative raw materials, optimizing consumption, and improving process efficiency to ultimately reduce dependency on virgin resources. The Company diligently segregates waste at the source into hazardous and non-hazardous categories and has partnered with authorized agencies for proper management and disposal of the waste.

b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have adopted several ways to minimize the waste, such as using alternative raw materials, optimizing the consumption, improving the process efficiency, etc.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No, there were no Environmental Impact Assessments of projects that were undertaken during the reporting period

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder If not, provide details of all such non-compliances, in the following format:

Yes, The Company is in compliance with the stipulated laws

Leadership Indicator

1. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Type	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy	Adoption of Brushless Direct Current (BLDC) Fans	Conventional ceiling fans across offices and buildings were replaced with energy-efficient BLDC fans, which consume significantly less power while delivering equivalent airflow performance.	Annual energy savings of approximately 9,072 kWh was achieved.
2	Energy	Air-Operated Double Diaphragm (AODD) Pump Installation for Crystallizers	Conventional hot water centrifugal pumps used in crystallizers were replaced with an energy-efficient AODD pump, improving process safety along with reducing power consumption.	Annual energy savings of approximately 5,940 kWh was achieved along with enhanced process safety.

Sr. No	Type	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	Energy	Diesel Generator (DG) Synchronisation Project	DG sets were synchronised to create a closed-loop power system, enabling automatic backup, on-demand load supply, maintenance flexibility, and enhanced reliability of power supply.	Reduced diesel consumption, improved system reliability, and operational flexibility during maintenance.
4	Water	Plant Effluent Decolorization via Activated Carbon Filtration	Two reactors were temporarily repurposed to carry out water decolorization through activated charcoal filtration, enabling effluent reuse.	Annual water savings of approximately 9,000 kL was recorded.
5	Water	Filter Wash Water Reutilization	Filter wash water was recycled and reused, reducing water consumption from 0.160 kL to 0.080 kL per two batches across two plants.	Approximately 165 kL monthly (1,320 kL annually) of water was saved.
6	Water	Condensate Recovery from Drying Heat Exchangers	A dedicated condensate collection system was installed to capture 14.4 KLD of condensate from drying heat exchangers for reuse as boiler feed water.	Annual water savings of approximately 3,224 kL were achieved.
7	Water	Crystallization Water Reuse via RO	A new Reverse Osmosis (RO) system was installed to route 17.5 kLD of crystallization water for recycling from the ETP.	Approximately 369.5 kL per month (nearly 2,583 kL annually) of water was recycled.
8	Water	MEEP Condensate Reuse for Distillation Cooling Tower	Softened MEEP condensate (40 kLD) was used in place of borewell water as make-up in the distillation cooling tower.	Annual water savings of approximately 960 kL was achieved.
9	Water	MEEP Condensate Recirculation to Cooling Towers	Condensate from the 200 kLD MEE plant is collected in a 75 kL storage tank and routed through HDPE pipelines as make-up water for cooling towers.	Annual water savings of approximately 500 kL was achieved.
10	Waste	Waste to Wealth Initiative	Waste to Wealth initiative is practiced throughout the year, focused on maximizing resource recovery, re-utilization of by-products, responsible waste management, and promoting circularity across operations.	Enhanced resource recovery, reduced waste disposal, and strengthened circular economy practices across operations.

2. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Solar has established a robust Business Continuity and Disaster Management framework, comprising a Business Risk & Opportunity Register and a comprehensive Onsite / Offsite Emergency Management Plan (EMP). The Business Risk & Opportunity Register systematically identifies key risks across operations and defines structured mitigation strategies, ensuring business resilience and continuity. The Emergency Management Plan (EMP), an integral component of the Company's Safety Management System, has been implemented in line with statutory requirements applicable to Major Accident Hazard (MAH) units. The EMP is designed to deploy adequate systems, resources, and response mechanisms to effectively address any emergency that may impact people, assets, or the environment, thereby minimizing adverse consequences. Through periodic mock drills, training programs, and continual review, Solar reinforces preparedness, ensures regulatory compliance, and upholds its commitment to safeguarding employees, communities, property, and the ecosystem.

Principle 7:

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is Responsible and Transparent.

ESSENTIAL INDICATORS**1. a) Number of affiliations with trade and industry chambers/ associations.**

The Company is associated with 11 trade and industry chambers/ associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry ("FICCI")	National
2	Confederation of Indian Industry ("CII")	National
3	Society of Indian Defence Manufacturers	National
4	PHD Chamber of Commerce and Industry	National
5	Bharat Shakti	National
6	Vidarbha Industries Association	State
7	Quality Circle Forum of India ("OCFI")	National
8	Explosives Manufacturers Welfare Association	National
9	Safex International	International
10	European Federation of Explosives Engineer ("EFEE")	International
11	International Society of Explosives Engineers ("ISEE")	International

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable as there were no adverse orders from regulatory authorities on any anti-competitive conduct.

Leadership Indicator**1. Details of public policy positions advocated by the entity:**

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8:

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

ESSENTIAL INDICATORS**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

During FY 2025-26, we have not undertaken any projects that require Social Impact Assessments.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

During FY 2025-26, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

Sr. No	Name of project for which R&R is ongoing	State	District	No. of project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (IN INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed to developing communities around our sites and redressing their grievances and concerns. Our people regularly engage with communities living around the sites to understand their concerns, and in case of a specific grievance, it is investigated and acted upon.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
Directly sourced from MSMEs/ Small producers	34.86	21.24
Directly from within India	84.35	84.99

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost)

Location	FY 25-26 Current Financial Year	FY 24-25 Previous Financial Year
Rural	66.34%	65.53%
Semi-urban	4.63%	5.24%
Urban	5.60%	6.56%
Metropolitan	23.43%	22.67%

Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (IN INR)
Not Applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No. Our suppliers are selected based on their performance on various parameters and standards including cost, quality, delivery, technology, and sustainability. Before being awarded a project, all suppliers must comply with the established sourcing guidelines.

(b) From which marginalized /vulnerable groups do you procure?

Not applicable as answer to above question (a) is "No"

(c) What percentage of total procurement (by value) does it constitute?

Not applicable as answer to above question (a) is "No"

Principle 9:

Businesses should engage with and provide value to their Consumers in responsible manner.

ESSENTIAL INDICATORS**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has implemented a robust Customer Relationship Management ("CRM") mechanism to facilitate effective redressal of customer concerns. Customers can register their complaints through the CRM system and monitor the status of resolution in a transparent manner. Resolution of customer grievances is accorded high priority and is monitored closely to ensure timely and effective closure.

Complaint redressal is regularly reviewed at multiple levels of management to ensure accountability and continuous improvement. In addition, the Stakeholders' Relationship Committee of the Board periodically undertakes a detailed review of stakeholder complaints, thereby strengthening oversight and reinforcing the Company's commitment to responsive and stakeholder-centric governance.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

information related to	As a percentage to total turnover
Environment and Social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	-	-	-	6	Nil	All the complaints are resolved

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has adopted a comprehensive Data Privacy Policy and is firmly committed in ensuring a high level of protection in relation to the processing of personal data of its employees, vendors, clients, and customers. The Company processes personal data in accordance with applicable data protection laws and relevant regulatory requirements, with due regard to confidentiality, integrity, and security of information.

To safeguard sensitive information and maintain controlled access, the Data Privacy Policy is hosted on the Company's internal intranet and is accessible to authorized personnel only. This framework reinforces the Company's commitment to responsible data handling, information security, and stakeholder trust.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

In FY 25, there were no reported instances of issues regarding advertising, delivery of essential services, cyber security, data privacy of customers or product recalls. We have adhered to best practices in security. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil, there were no instances of reportable data breaches

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable as there were no instances of reportable data breaches

c. Impact, if any, of the data breaches

Not Applicable.

Leadership Indicator

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the product information with Technical Safety Data Sheets are available on our Company's website www.solargroup.com. Customer's specifically requesting copies of the same are forwarded through E-mail or in a physical copy.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We understand the importance of providing accurate and transparent product information to our customers. Technical Safety Data Sheets are made available with the product which is also available on the Company's website. Regular interaction with customers is done by our technical team and various trainee programs are conducted to educate on safe and efficient use of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At Solar, we do not deal with any essential services. However, in case of any disruption, we can disseminate information through our website, various mass media platforms, social media platforms, distribution networks, sales representatives and E-mails.

4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

Yes, The Company ensures strict adherence to all the applicable regulations for product information and labelling. All the critical products are supplied with safety instructions highlighting the Do's and Don'ts while handling the products.

b. Did your entity carry out any survey about consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, Solar conducts customer satisfaction surveys to improve its services and to meet the customer's expectations.



Standalone Financial Statements

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of

India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters

Revenue Recognition (as described in note 2.2(j) of the standalone financial statements)

Revenue from sale of goods is recognized as outlined in note 19 of the standalone financial statements.

The Company estimates charges for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customers' site. Powder factor is based on the agreements with customers, volume of output achieved at the sites, which is measured at a later date. Accordingly, the provision is made based on estimate of powder factor achieved on current sales which is reduced from the sales for the period.

As at March 31, 2026, the Company is carrying a provision for powder factor charges of ₹ 37.39 crore.

This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

How our audit addressed the key audit matter

Our audit procedures included, among others the following:

- We Evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers).
- We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor charges. We obtained an understanding of the key controls management has in place to monitor the powder factor charges.
- We read the agreement with customers for validating terms relating to powder factor.
- We assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor charges.

Key audit matters	How our audit addressed the key audit matter
	- We tested on sample basis, the accuracy of the underlying data used for computation of powder factor charges and verified the arithmetical accuracy of powder factor charges. - We tested on sample basis, powder factor deductions documents received from the customers. - We compared the provision for powder factor charge against the historical powder factor charges deductions. - We assessed and read the disclosures made by the Company in the standalone financial statements.
Fair Valuation of Non-current Investments <i>(as described in note 2.2 (v) of the standalone financial statements)</i>	
The Company has classified certain investment amounting to ₹ 134.58 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	Our audit procedures included, amongst others the following: - We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Company has for review of fair valuation of investments; - We obtained and read the fair valuation reports provided by the management by involvement of external valuation experts; - We involved internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value; - We assessed the objectivity and competence of our internal expert and Company's external specialists involved in the process; - We Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts; - We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts; - We assessed and read the disclosures made by the Company in the standalone financial statements;

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent

with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read

with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objective is to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"** to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g).
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief as disclosed in the note 39(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief as disclosed in the note 39(vi) to the standalone financial statements, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- As stated in note 11B to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes, if any, made using privileged/administrative access rights, as

described in note 40 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For Gandhi Rathi & Co.

Chartered Accountants

ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner

Membership No.: 39895

UDIN: 26039895QXVWGP7687

Place: Nagpur**Date:** May 15, 2026**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner

Membership No.: 110829

UDIN: 26110829MCEBSQ7805

Place: Nagpur**Date:** May 15, 2026

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLAR INDUSTRIES INDIA LIMITED

(Referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) All Property, Plant and Equipment were physically verified by the management during the year in accordance with

a planned program of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

- (i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in note 3A to the financial statements in property, plant and equipment, are held in the name of the Company except immovable properties as indicated in the table below for which title deeds are not in name of the company.

Description of property	Gross carrying value (₹ in crores)	Held in name of	Whether promoter, director or their relative or employee	Period held from	Reason for not being held in name of Company
Protected forest land located in Chakdoh, District Nagpur	10.36	Revenue and Forest Department – Govt. of Maharashtra	No	January, 2020	Protected forest land
Land in Dhanbad	2.45	Various owners	No	2024-2026	The Company is in process of transferring title deeds

- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.

returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited/ unaudited books of accounts of the Company.

- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (iii) (a) During the year, the Company has provided loans and stood guarantee to companies as follows:

(₹ In crore)		
Particulars	Loans	Guarantee
Aggregate amount granted/ Provided during the year		
Subsidiaries	1,516	79
Balance O/s as at balance sheet date		
Subsidiaries	1,020	685

- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2026. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

Further, the Company has not provided advances in the nature of loans or provided security to companies, firms, Limited Liability Partnerships or any other parties during the year.

- (ii) (b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly

- (iii) (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of loans and guarantee provided are not prejudicial to the Company's interest.

- (iii) (c) In respect of loans granted to companies, the schedule of repayment of principal and payment of interest has been stipulated, and the repayment or receipts are regular except in the following cases:

(₹ In Crore)

Name of the Entity	Amount	Due date	Date of payment	Extent of delay	Remarks, if any
Solar Overseas Mauritius Ltd.	4.83	5 March, 2026	9 April, 2026	35 Days	Delayed receipt of Accrued interest

- (iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Act are applicable. Further, where loans, investments, guarantees and security in respect of which provisions of section 186 of the Act are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable.
- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to manufacture of industrial explosive and explosive initiating device, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, 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. The provisions relating to sales- tax, service tax, duty of excise and value added tax are not applicable to the Company.

According to the information and explanations given to us and audit procedures performed by us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable.

(₹ In Crore)

Name of the statute	Nature of the dues	Amount	Amount deposited under protest	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.68	0.03	2015-2017	Tribunal
		1.16	-	2007-2009	Commissionerate
Goods and Service Tax Act, 2017	Demand of GST	0.22	0.02	2020-2021	Commissionerate
		1.09	0.11	2018-2020	Commissionerate
		0.14	0.01	2021-22	Commissionerate
		0.15	-	2017-2025	Commissionerate
		0.03	0.03	2024-2025	Appellate Authority
		0.01	-	2017-18	Commissionerate
		1.40	-	2019-20 to 2022-23	Commissionerate
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.43	0.04	2008-2009	Tribunal
		0.85	0.03	2013-2017	Commissionerate

(₹ In Crore)

Name of the statute	Nature of the dues	Amount	Amount deposited under protest	Period to which the amount relates	Forum where the dispute is pending
Employee Provident Fund	Demand of Provident Fund Contribution	0.15	0.15	2015-2017	Appellate Authority
The Customs Act, 1962	Demand of Custom Duty	2.09	2.09	2021-2022	Tribunal
		0.43	0.43	2025-2026	Commissionerate
		0.05	0.05	2019-2020	Commissionerate
		0.09	-	2023-2024	Tribunal

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Act, has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act, Therefore, the requirement to report on clause 3(xii)(a)/(b)/(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the Standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 37 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet

as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 26(b) to the financial statements.

(xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 26(b) to the financial statements.

For Gandhi Rathi & Co.

Chartered Accountants

ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner

Membership No.: 39895

UDIN: 26039895QXVWGP7687

Place: Nagpur

Date: May 15, 2026

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner

Membership No.: 110829

UDIN: 26110829MCEBSQ7805

Place: Nagpur

Date: May 15, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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 with reference to standalone financial statements of Solar Industries India Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Gandhi Rathi & Co.

Chartered Accountants

ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner

Membership No.: 39895

UDIN: 26039895QXVWGP7687

Place: Nagpur

Date: May 15, 2026

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner

Membership No.: 110829

UDIN: 26110829MCEBSQ7805

Place: Nagpur

Date: May 15, 2026

Standalone Balance Sheet

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	1,361.38	1,124.30
Capital work in progress	3A	141.20	112.10
Intangible assets	3B	8.48	8.94
Intangible assets under development	3B	5.90	0.57
Right-of-use assets	3C	7.42	5.49
Financial assets			
Investments	4	866.97	686.46
Loans	5	944.59	437.37
Other financial assets	6	120.41	91.14
Other non-current assets	9	60.91	30.55
Total non-current assets		3,517.26	2,496.92
Current assets			
Inventories	10	405.28	396.97
Financial assets			
Investments	4	-	172.50
Trade receivables	7	984.79	786.52
Cash and cash equivalents	8	250.36	192.92
Bank balances other than cash and cash equivalents	8	3.44	3.25
Loans	5	75.86	166.86
Other financial assets	6	105.22	99.63
Other current assets	9	186.78	120.15
Total current assets		2,011.73	1,938.80
Total assets		5,528.99	4,435.72
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	4,208.72	3,048.86
Total equity		4,226.82	3,066.96
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	78.75	93.56
Lease Liabilities	3C	4.20	3.46
Deferred tax liabilities (net)	14	152.01	130.12
Other non current liabilities	15	158.16	260.90
Total non-current liabilities		393.12	488.04
Current liabilities			
Financial liabilities			
Borrowings	13	62.92	101.38
Lease Liabilities	3C	2.93	1.55
Acceptances	16A	285.23	394.61
Trade payables	16B		
a) total outstanding dues to micro enterprises and small enterprises		38.49	20.17
b) total outstanding dues to creditors other than micro enterprises and small enterprises		162.68	166.63
Other financial liabilities	17	51.62	62.36
Other current liabilities	15	278.06	123.21
Provisions	18	6.49	6.56
Current tax liabilities (net)		20.63	4.25
Total current liabilities and Provisions		909.05	880.72
Total liabilities		1,302.17	1,368.76
Total equity and liabilities		5,528.99	4,435.72
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

per C.N. Rathi
Partner
Membership No.- 039895

Place : Nagpur
Date : May 15, 2026

For **S R B C & COLL P**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

per Hemal Shah
Partner
Membership No.- 110829

Place : Nagpur
Date : May 15, 2026

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations	19	5,578.86	4,456.60
Other income	20	207.24	83.75
Total income		5,786.10	4,540.35
Expenses			
Cost of materials consumed	21	2,553.07	2,354.45
Purchases of stock-in-trade		409.19	231.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(25.90)	(5.82)
Employee benefit expense	23	293.55	232.28
Finance costs	24	26.02	28.93
Depreciation and amortisation expense	25	99.71	74.64
Other expenses	26	789.78	547.40
Total expenses		4,145.42	3,463.06
Profit before tax		1,640.68	1,077.29
Tax expense :			
- Current tax		402.09	264.55
- Adjustment of tax relating to earlier periods		0.44	(0.73)
- Deferred tax		16.45	10.36
Total tax expense	14	418.98	274.18
Profit for the year		1,221.70	803.11
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss in subsequent period			
Remeasurement gain/ (loss) on defined benefit plans		0.37	(0.82)
Income tax effect on defined benefit plans		(0.09)	0.21
Remeasurement gain/ (loss) on Investment in Equity instruments		28.83	(15.86)
Income tax effect on Investment in Equity instruments		(4.12)	11.63
		24.99	(4.84)
Items that will be reclassified to profit or loss in subsequent period			
Net movement on Cash Flow Hedge Reserve		4.89	(1.15)
Income tax effect		(1.23)	0.29
		3.66	(0.86)
Total Other comprehensive income for the year, net of tax		28.65	(5.70)
Total comprehensive income for the year		1,250.35	797.41
Earnings per equity share (Face Value ₹ 2 per share) (in Rupees)			
Basic and Diluted earnings per share	27	135.01	88.75
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

For **S R B C & COLL P**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

For and on behalf of the Board of Directors of
Solar Industries India Limited

per **C.N. Rathi**
Partner
Membership No.- 039895

per **Hemal Shah**
Partner
Membership No.- 110829

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Place : Nagpur
Date : May 15, 2026

Place : Nagpur
Date : May 15, 2026

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ Crores , unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	1,640.68	1,077.29
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	99.71	74.64
Net gain on disposal of property, plant and equipment	(1.09)	(0.05)
Impairment loss on disposal of property, plant and equipment	-	(0.77)
Net (gain)/loss on financial assets measured at fair value through profit and loss	(0.26)	0.21
Profit on sale of investments carried at fair value through profit or loss	(10.45)	(7.56)
Interest income	(79.02)	(62.13)
Finance cost	26.02	28.93
Impairment (gain)/loss on non current assets	6.03	9.05
Bad debts written off	1.31	0.41
Advances written off	0.12	-
Provision for advances given	3.35	-
Liabilities written back	(0.02)	(0.15)
Unrealised exchange rate difference	(63.18)	0.45
Operating profit before working capital changes	1,623.20	1,120.32
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(165.79)	(196.21)
(Increase)/Decrease in inventories	(8.31)	(132.86)
Increase/(Decrease) in trade payables	(103.85)	249.12
(Increase)/ Decrease in other assets	(82.77)	(74.22)
Increase/(Decrease) in other liabilities	52.02	349.84
Cash generated from operations	1,314.50	1,315.99
Less : Income taxes paid	387.16	262.08
Net cash flows from operating activities	927.34	1,053.91
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(408.54)	(277.97)
Proceeds from sale / discard of property, plant and equipment	10.75	0.93
Loan given to related parties	(1,515.62)	(1,425.82)
Loan recovered from related parties	1,131.21	915.79
Investment in subsidiary	(151.13)	(0.05)
Proceeds from (Purchase) /sale of non-current investments	-	0.26
Proceeds from (Purchase)/ sale of current investments (net)	182.66	47.65
(Investment)/Redemption in fixed deposits greater than 3 months	(0.18)	(0.15)
Interest income received	68.90	48.11
Net cash flows (used) in investing activities	(681.95)	(691.25)
Cash flows from/(used in) financing activities		
Proceeds from long term borrowings	50.00	1.90
Repayment of long term borrowings	(103.28)	(119.45)
Payment of principal portion of lease liabilities	(2.65)	(1.48)
Interest paid	(41.52)	(35.86)
Dividend paid	(90.50)	(76.92)
Net cash flows (used) in financing activities	(187.95)	(231.81)
Net increase / (decrease) in cash and cash equivalents	57.44	130.85
Add:-Cash and cash equivalents at the beginning of the year	192.92	62.07
Cash and cash equivalents at end of the year (Refer note 8)	250.36	192.92

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2025	Cash flows	Other Adjustment	March 31, 2026
Short Term borrowings (Excluding current maturities of long term borrowing)	-	-	-	-
Long Term borrowings (Including current maturities of long term borrowing)	194.94	(53.28)	0.01	141.67
Lease Liabilities	5.01	(3.11)	5.23	7.13
Total liabilities from financing activities	199.95	(56.39)	5.24	148.80

Particulars	March 31, 2024	Cash flows	Other Adjustment	March 31, 2025
Short Term borrowings (Excluding current maturities of long term borrowing)	-	-	-	-
Long Term borrowings (Including current maturities of long term borrowing)	312.48	(117.54)	-	194.94
Lease Liabilities	5.21	(1.93)	1.73	5.01
Total liabilities from financing activities	317.69	(119.47)	1.73	199.95

Summary of material accounting policies (Refer note 2.2 and 2.3)

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

For and on behalf of the Board of Directors of
Solar Industries India Limited

per C.N. Rathi
Partner
Membership No.- 039895

per Hemal Shah
Partner
Membership No.- 110829

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Place : Nagpur
Date : May 15, 2026

Place : Nagpur
Date : May 15, 2026

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital (Refer Note 11)

Particulars	No. of Shares	Amount
As at April 1, 2024 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2025 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2026 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10

B. Other equity (Refer Note 11A)

	Reserves and surplus			Remeasurement (loss) on defined benefit plans (Note 11A)	Other comprehensive income			Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)		Cash flow hedge reserve (Note 11A)	Equity instrument (Note 11A)	
Balance as at April 1, 2024	149.13	1,294.01	4.29	801.61	(0.56)	0.03	79.86	2,328.37
Profit for the year	-	803.11	-	-	-	-	-	803.11
Transfer from retained earnings	-	-	-	100.00	-	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	-	(100.00)
Others	-	0.03	-	-	-	(0.03)	-	-
Other comprehensive income :								
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	(0.86)	-	(0.86)
Remeasurement gain/ (loss) on defined benefit plans (net of tax)	-	-	-	-	(0.61)	-	-	(0.61)
Remeasurement gain/ (loss) on Investment in Equity instruments (net of tax)	-	-	-	-	-	-	(4.23)	(4.23)
Transactions with owners :								
Dividend paid	-	(76.92)	-	-	-	-	-	(76.92)
Balance as at March 31, 2025	149.13	1,920.23	4.29	901.61	(1.17)	(0.86)	75.63	3,048.86

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Reserves and surplus			Remeasurement (loss) on defined benefit plans (Note 11A)	Other comprehensive income			Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)	hedge reserve (Note 11A)	Instrument (Note 11A)	Equity	
Balance as at April 1, 2025	149.13	1,920.23	4.29	901.61	(1.17)	(0.86)	75.63	3,048.86
Profit for the year	-	1,221.70	-	-	-	-	-	1,221.70
Transfer from retained earnings	-	-	-	100.00	-	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	-	(100.00)
Other comprehensive income :								
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	3.66	-	3.66
Remeasurement gain/ (loss) on defined benefit plans (net of tax)	-	-	-	-	0.28	-	-	0.28
Remeasurement gain/ (loss) on Investment in Equity instruments (net of tax)	-	-	-	-	-	-	24.71	24.71
Transactions with owners :								
Dividend paid	-	(90.49)	-	-	-	-	-	(90.49)
Balance as at March 31, 2026	149.13	2,951.44	4.29	1,001.61	(0.89)	2.80	100.34	4,208.72

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **Gandhi Rathni & Co.**

Chartered Accountants

ICAI Firm Registration

Number:103031W

per C.N. Rathni

Partner

Membership No.- 039895

Place : Nagpur

Date : May 15, 2026

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration

Number: 324982E/E3000003

per Hemal Shah

Partner

Membership No.- 110829

Place : Nagpur

Date : May 15, 2026

For and on behalf of the Board of Directors of

Solar Industries India Limited

Manish Nuwal

Managing Director & CEO

DIN: 00164388

Moneesh Agrawal

(Joint CFO)

Khushboo Pasari

Company Secretary

Membership No.- F7347

Place : Nagpur

Date : May 15, 2026

Milind Deshmukh

Executive Director

DIN: 09256690

Shalinee Mandhana

(Joint CFO)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 1. Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (CIN No - L74999MH1995PLC085878). The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2. Basis of preparation and material accounting policies

2.1 Basis of preparation

The financial Statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments, defined benefit plans, Certain financial assets and liabilities measured at fair value). The accounting policies are consistently applied by the company to all the period as mentioned in the financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended) from time to time as presentation requirement of division II of schedule III to the companies act 2013. The Standalone financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated..

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2 Summary of material accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

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.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on

intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Any gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Assets	Company's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings and civil structures	5-60	60
Roads (RCC and WBM)	15 to 30	3 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 25	15 to 20
Electrical installations and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	8 to 10	10
Vehicles	5 to 10	8 to 10
Office equipment and Computers	3 to 6	3 to 6
Assets	Company's estimate of useful life (in years)	
Intangible Assets		
Software and Licenses		3-7
Transfer of Technology (TOT) / Technical Know - how		5-10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the

asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products,

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including provision on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term and low value leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building and Guest House 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost, less impairment loss (if any) as per Ind AS 27 – Separate Financial Statements. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial Recognition & Measurement

Financial assets are classified, at initial recognition in the following categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

Assets that do not meet the criteria of amortized cost are measured at fair value through profit and loss. Interest income from these financial assets is included in other income.

B. Equity instruments

B.1 Fair value through OCI:

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and

the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortized cost

Measurement

A. Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Notes to Standalone Financial Statements

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A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3. Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

4. Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognized as expense/ income in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

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j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 0-180 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

• Volume rebates and discounts

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3-12 months. Revenue from these sales is recognized based on the

price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

• Powder Factor

The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customers, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of powder factor achieved on current sales of products, which is reduced from the revenue for the period.

• Other deductions:

The Company accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site, late delivery charges etc. The aforesaid charges are deducted by the customer, and are deducted from consideration from sale of product which is disclosed in reconciliation of contract price with revenue.

2. Significant financing component

In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects,

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at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

The Company also receives advance payments from customers for the supply of goods with a lead time of more than one year after signing the contract. The Company has determined that aforesaid long terms advances from customers do not contain a significant financing component as these advances are only to ensure that the contracting parties performs its obligations as specified under the contract. Hence, there is no financing component which needs to be separated.

- **Sale of projects:**

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90-180 days from the date of sale.

- **Interest Income:**

Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

- **Dividend:**

Dividend income is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of revenue recognition in note no 2.2 (j) for initial recognition and financial assets in note no. 2.2 (i) (1) Financial instruments – subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. Government grant received in the form of State Government Goods and Service Tax / Sales Tax subsidy has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies Transactions and Translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), which is also its functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use,

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which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

m. Inventories

(i) Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

(iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(iv) Scrap: It is valued at net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Provision for Inventory

The Company maintains a policy for provisioning based on shelf life and other factors i.e. obsolescence or deterioration. For each category of inventory, the Company applies the policy to estimate the provision.

n. Retirement and other employee benefits

i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal

to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by 'New Labour Codes'. Under the code, 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 28). The scheme is funded with an insurance company in the form of qualifying insurance policy.

The cost of providing benefits under the gratuity plan is determined using the projected unit credit method.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The company recognises these items of re-measurements immediately in other comprehensive income and all the other expenses related to defined benefit plans in employee benefit expenses in profit and loss account.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes. The Company measures the expected cost of such

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absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expenses

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit/ loss at the time of transaction.

Deferred tax assets are recognized for all deductible temporary differences, and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Sales tax / value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales tax / value added taxes/ GST paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives, expenditure deductible / disallowances for tax purposes.

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p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(ii) Segment accounting policies

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more

uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

u. Acceptances

The Company has established supplier finance arrangements (Refer Note 16A). The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (v) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating

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cash outflow and financing cash inflow, when bank makes payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow. Hence the Company has shown Acceptances as a separate line item under Financial Liabilities in the Financials.

v. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

w. Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

x. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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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.

y. 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.

z. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management - Note 35
- Financial risk management objectives and policies - Note 34
- Sensitivity analyses disclosures - Notes 34

Useful Life 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 Discounted Cash Flow model. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow 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.

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Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Company estimates provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of powder factor achieved on current sales of products, which is reduced from the revenue for the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives (PSI) 2007 and 2013 (Maharashtra state government incentives policy) and Madhya Pradesh state government incentive policy :-

The Company is eligible to claim benefits under the above government incentive schemes, in the form of State Government GST / Sales tax subsidy / reimbursement

of provident fund. The eligibility of the benefits are subject to the Company confirming terms and conditions mentioned in the eligibility certificate. The Company uses judgement to establish the recoverability and the timings of the receipts.

2.3 Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, the amendments to the standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Standards notified but not yet effective

The new and amended standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these new and amended standards, when they become effective.

Amendments to Ind AS 1- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1st April, 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1st April 2026 retrospectively in accordance with Ind AS 8.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A. Property, Plant and Equipment

	Freehold Land (Refer note 5 below)	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipments and Computer	Total
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2024	103.04	361.12	15.53	534.44	53.91	20.28	1,088.32
Additions	14.48	94.93	2.57	260.23	15.50	7.72	395.43
Disposals	-	-	-	(0.22)	(0.54)	-	(0.76)
Closing gross carrying amount as at March 31, 2025	117.52	456.05	18.10	794.45	68.87	28.00	1,482.99
Accumulated depreciation							
Opening gross carrying amount as at April 1, 2024 ¹	-	74.49	6.97	180.68	15.24	12.08	289.46
Depreciation charge for the year	-	17.12	1.35	42.25	5.89	3.27	69.88
Disposals	-	-	-	(0.15)	(0.50)	-	(0.65)
Closing accumulated depreciation as at March 31, 2025	-	91.61	8.32	222.78	20.63	15.35	358.69
Net Carrying Amount as at March 31, 2025	117.52	364.44	9.78	571.67	48.24	12.65	1,124.30
Year Ended March 31, 2026							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2025	117.52	456.05	18.10	794.45	68.87	28.00	1,482.99
Additions	46.33	94.76	2.51	151.24	24.15	15.50	334.49
Disposals	-	-	-	(1.57)	(2.12)	-	(3.69)
Asset Written off	-	(1.82)	-	(4.23)	-	(0.01)	(6.06)
Closing gross carrying amount as at March 31, 2026	163.85	548.99	20.61	939.89	90.90	43.49	1,807.73
Opening gross carrying amount as at April 1, 2025	-	91.61	8.32	222.78	20.63	15.35	358.69
Depreciation charge for the year	-	20.71	1.59	58.71	7.87	4.92	93.80
Disposals	-	-	-	(1.42)	(1.99)	-	(3.41)
Asset Written off	-	(0.53)	-	(2.19)	-	(0.01)	(2.73)
Closing accumulated depreciation as at March 31, 2026	-	111.79	9.91	277.88	26.51	20.26	446.35
Net carrying amount as at March 31, 2026	163.85	437.20	10.70	662.01	64.39	23.23	1,361.38

Note 3A. Capital Work in Progress

	Freehold Land	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipments and Computer	Total
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2024	-	59.95	1.22	154.60	0.30	1.16	217.23
Additions	14.48	58.19	1.35	191.59	15.31	9.38	290.30
Capitalisation	(14.48)	(94.93)	(2.57)	(260.23)	(15.50)	(7.72)	(395.43)
Closing gross carrying amount as at March 31, 2025	-	23.21	-	85.96	0.11	2.82	112.10
Year Ended March 31, 2026							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2025	-	23.21	-	85.96	0.11	2.82	112.10
Additions	46.33	114.44	2.53	160.19	26.67	13.43	363.59
Capitalisation	(46.33)	(94.76)	(2.51)	(151.24)	(24.15)	(15.50)	(334.49)
Closing gross carrying amount as at March 31, 2026	-	42.89	0.02	94.91	2.63	0.75	141.20

Notes:-

- 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.
- The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (Refer note 13A).
- The amount of borrowing costs capitalised during the year ended March 31, 2026 was ₹1.72 (March 31, 2025: ₹ 10.25). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 7.26%, which is the effective interest rate of borrowings made specifically to acquire/ construct the qualifying asset (Refer note 24).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A. Capital Work in Progress (Contd..)

4. During the year, there was an accident in one of the plant of the Company. The Company has adequate insurance coverage for the assets on reinstatement basis including loss of profit coverage. In the meantime, the Company has made alternate arrangements to ensure continued production and supply of the products. The loss on such asset is ₹ 3.33 (net) (March 31, 2025 ₹ nil) in building , plant & machinery and office equipment & computer due to fire incident at plant.

5. Land includes :

- ₹ 10.36 located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District - Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.
- ₹ 2.45 located in Shitalpur, Tehsil - Kaliyasol, District - Dhanbad, acquired in FY 2024-25 & 2025-26 are held in the name of various owners. Applications have been made with Circle Officer (CO) Kaliyasol ,Dhanbad Jharkhand to transfer the title in the name of company.

6. Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2026

CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	126.52	10.34	3.99	0.35	141.20
- Projects temporarily suspended	-	-	-	-	-
Total	126.52	10.34	3.99	0.35	141.20

B. CWIP ageing as on March 31, 2025

CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	92.09	19.26	0.62	0.13	112.10
- Projects temporarily suspended	-	-	-	-	-
Total	92.09	19.26	0.62	0.13	112.10

Note : There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2025-26 & financial year 2024-25.

Note 3B. Intangible assets

	Software & License	Know how/ TOT ²	Total
Year ended March 31, 2025			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2024 ¹	11.72	3.31	15.03
Additions	5.53	-	5.53
Deductions/Adjustments	-	-	-
Gross carrying amount as at March 31, 2025	17.25	3.31	20.56
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2024 ¹	6.65	1.93	8.58
Amortisation for the year	2.51	0.53	3.04
Deduction/Adjustment	-	-	-
Accumulated amortisation as at March 31, 2025	9.16	2.46	11.62
Net carrying amount as at March 31, 2025	8.09	0.85	8.94

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3B. Intangible assets (Contd..)

	Software & License	Know how/ TOT ²	Total
Year ended March 31, 2026			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2025	17.25	3.31	20.56
Additions	2.62	-	2.62
Deduction/Adjustment	-	-	-
Gross carrying amount as at March 31, 2026	19.87	3.31	23.18
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2025	9.16	2.46	11.62
Amortisation for the year	2.70	0.38	3.08
Deduction/Adjustment	-	-	-
Accumulated amortisation as at March 31, 2026	11.86	2.84	14.70
Net carrying amount as at March 31, 2026	8.01	0.47	8.48

Notes:-

- Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.
- It represents Cast Booster Technical know-how for limited period of 5 Years, Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for a period 10 years and Transfer of Technology (TOT) of Multi Role Precision Kill Systems by Godavari Explosives Limited for a period 5 years.

Note 3B: Intangible Assets under development

	Software & Licence	Total
Year Ended March 31, 2025		
Gross carrying amount		
Opening gross carrying amount as at April 1, 2024	1.92	1.92
Additions	4.18	4.18
Less:- Capitalisation	(5.53)	(5.53)
Closing gross carrying amount as at March 31, 2025	0.57	0.57
Year Ended March 31, 2026		
Gross carrying amount		
Opening gross carrying Amount as at April 1, 2025	0.57	0.57
Additions	7.95	7.95
Less:- Capitalisation	(2.62)	(2.62)
Closing gross carrying amount as at March 31, 2026	5.90	5.90

3. Intangible Assets Under development (IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2026

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	5.33	0.41	0.16	-	5.90
- Projects temporarily suspended	-	-	-	-	-
Total	5.33	0.41	0.16	-	5.90

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Intangible Assets under development (Contd..)

B. IAUD ageing as on March 31, 2025

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	0.41	0.16	-	-	0.57
- Projects temporarily suspended	-	-	-	-	-
Total	0.41	0.16	-	-	0.57

Note 3C. Leases

Company as Lessee

The Company has lease contracts for Office buildings, Guest house and Leasehold land. Leases of office buildings and guest house generally have lease terms between 2 and 10 years, while leasehold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year :

	Office Buildings and Guest Houses	Leasehold land	Total
Year ended March 31, 2025			
As at April 1, 2024	5.09	0.84	5.93
Additions	1.55	-	1.55
Termination	(0.27)	-	(0.27)
Depreciation	(1.68)	(0.04)	(1.72)
As at March 31, 2025	4.69	0.80	5.49
Year ended March 31, 2026			
As at April 1, 2025	4.69	0.80	5.49
Additions	4.76	-	4.76
Termination	-	-	-
Depreciation	(2.79)	(0.04)	(2.83)
As at March 31, 2026	6.66	0.76	7.42

During the current year, the Company entered into non-cash activity regarding ROU assets additions of ₹ 4.76 (March 31, 2025 - ₹ 1.55).

B. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	March 31, 2026	March 31, 2025
As at April 1	5.01	5.21
Additions	4.66	1.55
Termination	-	(0.27)
Accretion of interest	0.57	0.45
Payments	(3.11)	(1.93)
As at March 31	7.13	5.01
Current	2.93	1.55
Non-current	4.20	3.46

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3C. Leases (Contd..)

The maturity analysis of lease liabilities are disclosed in Note 34.

The incremental borrowing rate for lease liabilities is 6.60% to 8.16%, with maturity between 2026-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets	2.83	1.72
Interest expense on lease liabilities	0.57	0.45
Interest income on financial assets measured at cost	(0.16)	(0.09)
Expense relating to short-term and low value leases (included in other expenses)	0.38	0.34
Gain on termination of Lease *	-	0.00
Total amount recognised in profit or loss	3.62	2.42

The Company had total cash outflows for leases of ₹ 3.49 in March 31, 2026 (₹ 2.27 in March 31, 2025).

* Amount is less than 0.01

Note 4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited)	₹ 10	48,00,000	48,00,000	14.50	14.50
Emul Tek Private Limited	₹ 10	7,16,12,400	59,67,700	71.85	6.21
Solar Defence Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Avionics Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Aerospace Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Overseas Mauritius Limited	\$ 100	2,39,200	2,39,200	521.58	521.58
Solar Explochem Limited	₹ 10	9,50,00,000	95,00,000	95.00	9.50
				703.13	551.99
Investment carried at cost					
Investment in Equity Instruments of Associate : (fully Paid up)					
Zmotion Autonomous System Private Limited	₹ 1	8,75,880	8,75,880	27.75	27.75
				27.75	27.75
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others (fully paid up)					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	1.51	0.97
				1.51	0.97

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 4. Investments (Contd..)

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investment carried at Fair Value through Other Comprehensive Income * (fully paid up)					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	19,300	134.55	105.72
Equity Shares of Skyroot Aerospace Private Limited (Refer note # below).	₹ 1	5	5	0.03	0.03
				134.58	105.75
Aggregate amount of unquoted investments				866.97	686.46
Aggregate amount of impairment in value of investments				-	-

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unquoted					
Investment carried at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Ltd.*	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.*	₹ 1	5,000	5,000	-	-
(*Under liquidation)					
Quoted					
Investment carried at fair value through profit & loss					
SBI Overnight Fund (Direct Growth)	₹ 10	-	4,15,334.88	-	172.50
				-	172.50
Aggregate amount of quoted investments and market value thereof				-	172.50

*** Note :-** Investment in Skyroot Aerospace Private Limited has been classified as fair value through other comprehensive income as it is a strategic investment for the Company and is not held for trading purpose. Accordingly fair value gain amounting to ₹28.83 has been accounted in OCI for the year ended March 31, 2026 (March 31, 2025 fair value loss - ₹ 15.86).

Note 5. Loans

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Carried at amortised cost				
Loan to related parties (Refer note 31D)	75.86	944.59	166.86	437.37
	75.86	944.59	166.86	437.37

Notes:

- Loans are non derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- Disclosure required under Sec 186(4) of the Companies Act 2013 :-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 5. Loans (Contd..)

No Loans receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below :-

	March 31, 2026		March 31, 2025	
	Current	Non-Current	Current	Non-Current
Solar Explochem Limited	-	146.81	-	180.96
	-	146.81	-	180.96

- Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable as per repayment schedule and carry an interest at the rate of 8.5% to 8.75% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable as per mutual agreement but not later than May 21, 2028. These loans carry interest at the rate of 8.5% - 9.5% per annum.
- The Company has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

Note 6. Other financial assets

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Derivative Instruments at fair value through profit and loss				
Fair valuation of derivative contracts(Refer note 33)	9.23	-	-	-
	9.23	-	-	-
Derivative Instruments at fair value through OCI				
Fair valuation of derivative contracts(refer note 33)	3.74	-	-	-
	3.74	-	-	-
Others				
State Government Incentive Receivables	57.39	111.15	82.24	73.11
Other receivables from related Parties (refer note 31D)	0.41	-	0.56	-
Interest accrued from related party (Refer note 31D)	29.49	-	14.49	9.45
Interest accrued but not due on Fixed Deposits	0.02	-	0.37	-
Security deposits	1.03	9.26	1.68	8.58
Other receivables	3.91	-	0.29	-
	92.25	120.41	99.63	91.14
	105.22	120.41	99.63	91.14

Notes :

- State Government incentive receivables arise on account of capital investment made and are linked to sales. This incentive is available on SGST component on sale of eligible products within the state of Maharashtra subject to ceiling limit. There are no unfulfilled conditions or contingencies attached to these receivables.
- Other receivable includes rent ,cross charges receivable and insurance claim receivable on capital goods.

Note 7. Trade receivables

	March 31, 2026	March 31, 2025
From others	461.19	429.68
From related parties (Refer note 31D)	548.22	375.43
Less: Impairment allowance	(24.62)	(18.59)
Total Trade receivables	984.79	786.52

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables (Contd..)

Break-up of security details

	March 31, 2026	March 31, 2025
Secured, considered good	-	1.71
Unsecured		
Considered good	1,003.55	799.06
Credit impaired	-	-
Significant increase in credit risk	5.86	4.34
	1,009.41	805.11
Impairment allowance		
Unsecured, considered good	(18.76)	(14.25)
Trade Receivables - credit impaired	-	-
Trade Receivables which have significant increase in credit risk	(5.86)	(4.34)
	(24.62)	(18.59)
	984.79	786.52

Trade Receivable ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2026					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	561.35	388.62	48.72	4.80	-	0.06	1,003.55
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.29	0.64	0.51	3.39	1.03	5.86
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	561.35	388.91	49.36	5.31	3.39	1.09	1,009.41

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2025					
		< 6 month	6 month-1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables - considered good	479.91	290.39	26.25	-	3.40	0.82	800.77
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	2.22	0.66	1.46	4.34
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	479.91	290.39	26.25	2.22	4.06	2.28	805.11

Notes :-

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
3. There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 7. Trade receivables (Contd..)

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	March 31, 2026	March 31, 2025
As at April 1	18.59	9.54
Provision /(Reversal) for expected credit losses	6.03	9.05
As at March 31	24.62	18.59

Note 8. Cash and Bank balances

	March 31, 2026	March 31, 2025
Cash and cash equivalents		
Balances with banks		
On current accounts	98.72	91.28
Deposits with Bank (with original maturity of less than three months)	-	100.00
Funds in Transit (includes cheques in hand)*	151.58	1.58
Cash on hand	0.06	0.06
	250.36	192.92
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.40	2.25
Deposits with Bank (with original maturity of more than three months and less than 12 months)	0.98	0.93
Earmarked balances with banks *	0.06	0.07
	3.44	3.25

Notes :

*The Company can utilise this balance only towards settlement of unclaimed dividend.

*Amount remitted by customer, credited in Company's bank account subsequent to March 31, 2026.

Note 9. Other assets

	March 31, 2026		March 31, 2025	
	Current	Non-Current	Current	Non-Current
Capital advances	-	53.63	-	27.95
Prepayments	43.44	6.60	35.57	2.35
Advances to suppliers for goods and services	68.26	-	23.01	-
Advances to staff	1.30	-	1.05	-
Balances with revenue authorities	73.78	0.68	60.52	0.25
	186.78	60.91	120.15	30.55

Note 10. Inventories (At lower of cost and net realisable value)

	March 31, 2026	March 31, 2025
Raw materials and packing materials (includes in transit of ₹ 66.06 (Previous year : ₹ 103.78))	277.46	303.98
Work-in-progress (includes in transit of ₹ 6.44 (Previous year : ₹ 1.74))	42.44	37.17
Finished goods (includes in transit of ₹ 10.46 (Previous year : ₹ 8.17))	37.63	28.86

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 10. Inventories (At lower of cost and net realisable value) (Contd..)

	March 31, 2026	March 31, 2025
Scrap goods	0.13	0.10
Stock-in-trade (includes in transit of ₹ 12.56 (Previous year : ₹ Nil))	13.59	1.76
Stores and spares (includes in transit of ₹ 0.53 (Previous year : ₹ 0.43))	25.86	22.85
Project inventory in progress	8.17	2.25
	405.28	396.97

Notes:

- Value of inventories above is stated after provision of ₹ 6.16 (previous year ₹ 4.11) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11. Equity share capital

	Number of Shares		Amount	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2024	9,04,90,055	18.10
As at March 31, 2025	9,04,90,055	18.10
As at March 31, 2026	9,04,90,055	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

The Company being ultimate Holding Company, there are no shares held by any other holding, ultimate Holding Company and their subsidiaries/ associates.

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% holding		Number of shares	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Sohan Devi Nand Lal Nuwal Family Trust	29.23%	-	2,64,51,193	-
Shri Kailashchandra Nuwal	-	23.08%	-	2,08,82,963
Smt. Indira Devi Nuwal	-	6.15%	-	55,68,230

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 11. Equity share capital (Contd..)

Note:-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

(e) Details of Shares held by promoters :-

As at March 31, 2026

Equity shares of ₹ 2 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	-
2	Shri Kailashchandra Nuwal [#]	2,08,82,963	(2,08,82,963.00)	-	-	(100%)
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt. Indira Kailashchandra Nuwal [#]	55,68,230	(55,68,230.00)	-	-	(100%)
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt. Leeladevi Satyanarayan Nuwal [*]	1,000	-	1,000	0.00%	-
8	Sohan Devi Nand Lal Nuwal Family Trust	-	2,64,51,193	2,64,51,193	29.23%	-
Total		6,61,91,271	-	6,61,91,271	73.15%	

* Percentage is less than 0.01

As at March 31, 2025

Equity shares of ₹ 2 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt. Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt. Leeladevi Satyanarayan Nuwal [*]	1,000	-	1,000	0.00%	-
Total		6,61,91,271	-	6,61,91,271	73.15%	

* Percentage is less than 0.01

*** Note :-** The entire shareholding of Shri Kailashchandra Nuwal and Smt. Indira Kailashchandra Nuwal have been transferred to Sohan Devi Nand Lal Nuwal Family Trust during the financial year 25-26.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity

Securities premium¹

As at April 1, 2024	149.13
Movement for the year 2024-25	-
As at March 31, 2025	149.13
Movement for the year 2025-26	-
As at March 31, 2026	149.13

Retained earnings²

As at April 1, 2024	1,294.01
Add : Profit for the year	803.11
Less : Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2023-24	(76.92)
Add : Others	0.03
As at March 31, 2025	1,920.23
Add : Profit for the year	1,221.70
Less : Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2024-25	(90.49)
As at March 31, 2026	2,951.44

Capital reserve³

As at April 1, 2024	4.29
Movement for the year 2024-25	-
As at March 31, 2025	4.29
Movement for the year 2025-26	-
As at March 31, 2026	4.29

General reserve⁴

As at April 1, 2024	801.61
Add : Transfer from retained earnings	100.00
As at March 31, 2025	901.61
Add : Transfer from retained earnings	100.00
As at March 31, 2026	1,001.61

Cash flow hedge reserve⁵

As at April 1, 2024	0.03
Movement for the year 2024-25	(0.89)
As at March 31, 2025	(0.86)
Movement for the year 2025-26	3.66
As at March 31, 2026	2.80

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

Investment in Equity Instruments through other comprehensive income⁶

As at April 1, 2024	79.86
Movement for the year 2024-25	(4.23)
As at March 31, 2025	75.63
Movement for the year 2025-26	24.71
As at March 31, 2026	100.34

Remeasurement (loss)/gain on defined benefit plans⁷

As at April 1, 2024	(0.56)
Movement for the year 2024-25	(0.61)
As at March 31, 2025	(1.17)
Movement for the year 2025-26	0.28
As at March 31, 2026	(0.89)

Total other equity

As at April 1, 2024	2,328.37
Movement for the year 2024-25	720.49
As at March 31, 2025	3,048.86
Movement for the year 2025-26	1,159.86
As at March 31, 2026	4,208.72

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. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

3. Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

4. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of 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.

5. Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with receivables and payables. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 11A. Other equity (Contd..)

6. Investment in Equity Instruments through other comprehensive income

The Company has classified certain non-current investments as fair value through other comprehensive income as it is a strategic investment and is not held for trading purpose. The cumulative amount will be classified to retained earnings when the investment is disposed off.

7. Remeasurement of Defined Benefit Plans

The Company recognizes actuarial gains/(losses) on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

11B. Distribution made and proposed

	March 31, 2026	March 31, 2025
Cash dividends on equity shares paid :		
Final dividend for the year ended on March 31, 2025: ₹ 10 per share (March 31, 2024 ₹ 8.50 per share)	90.49	76.92
	90.49	76.92
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31, 2026: ₹ 11.00 per share (March 31, 2025: ₹ 10.00 per share)	99.54	90.49
	99.54	90.49

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Financial liabilities

Note 12. Non-current Borrowings

	March 31, 2026	March 31, 2025
Secured Borrowings carried at amortised cost		
Term loans from banks		
Indian Rupee term loan	130.00	154.71
Interest accrued but not due	0.61	1.12
Unsecured Borrowings carried at amortised cost		
From Others		
Non-Convertible Debentures (NCD)	11.67	38.33
Interest accrued but not due	0.02	0.09
From Related Party		
Loan from Related party (Refer note 31D)	-	1.90
Interest accrued but not due (Refer note 31D)*	-	0.00
	142.30	196.15
Less:		
Current maturities of long-term debt (Refer note 13)	(62.92)	(101.38)
Interest accrued but not due on non-current borrowings (Refer note 17)	(0.63)	(1.21)
	78.75	93.56

*Amount is less than ₹ 0.01

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 13. Current Borrowings

	March 31, 2026	March 31, 2025
Secured - at Amortised cost		
From banks		
Current maturities of long term debt (Term loan)	51.25	74.71
Interest accrued but not due	2.01	2.82
Unsecured - at Amortised cost		
From others		
Current maturities of long term debt (NCD)	11.67	26.67
	64.93	104.20
Less:		
Interest accrued but not due on current borrowings (Refer note 17)	(2.01)	(2.82)
	62.92	101.38

Notes:-

- Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Company.
- The Company has not used borrowings taken from banks for the purpose other than for which it was taken.

Note 13A. Maturity profile

Maturity profile of Non current Borrowing (Including Current Maturities)

	Maturity date	Terms of repayment	March 31, 2026	March 31, 2025
Secured				
Rupee Term Loan from Bank ^{&}	September 27, 2026	Repayable in sixteen quarterly installments starting after moratorium period of twelve months	25.00	75.00
Rupee Term Loan from Bank [^]	August 31, 2025	Repayable in twenty quarterly installments. The same has been paid during the year.	-	4.71
Rupee Term Loan from Bank [%]	October 1, 2028	Repayable in twenty quarterly installments	55.00	75.00
Rupee Term Loan from Bank [#]	July 28, 2030	Repayable in sixteen quarterly instalments starting after moratorium of six months	50.00	-
Unsecured				
Non Convertible Debentures [*]	December 23, 2025	Repayable in twelve quarterly installments (subject to put call option exercisable after two years of allotment by debenture holders and Company respectively).The same has been paid during the year.	-	15.00
Non Convertible Debentures ^{**}	March 22, 2027	Repayable in twelve quarterly installments.	11.67	23.33
Related Party ^{^^}	March 23, 2028	Mutual agreement but not later than maturity date. The same has been paid during the year.	-	1.90
			141.67	194.94

[^]The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

[&]The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

[%]The Indian rupee long term loan from bank is linked to 3 month T Bill rate with a spread of 145 bps.

[#]The Indian rupee long term loan from bank is linked to Repo rate with a spread of 225 bps.

^{*}NCD have been issued at fixed rate of 8.20% p.a.

^{**}NCD is linked to Repo rate with a spread of 181 bps.

^{^^}The Indian rupee long term loan from related party carries an interest rate of 8.5% - 9% p.a.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 13A. Maturity profile (Contd..)

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipments, both present and future, and second pari passu charge on the Company's current assets, both present and future. Working capital loans have first Pari Passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's property, plant and equipments, both present and future as per security document.

Loan covenants

Bank loan contains certain debt covenants relating to debt equity ratio, net borrowing to EBITDA ratio, interest service coverage ratio, debt service coverage ratio (DSCR), gearing ratio, current ratio, total liabilities to total networth ratio and fixed asset coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans and non convertible debentures.

Note 14. Tax expenses

The major components of tax expense for the year ended March 31, 2026 and March 31, 2025 are :

Statement of profit and loss:

Profit and loss section

	March 31, 2026	March 31, 2025
Current income tax:		
Current income tax charge	402.09	264.55
Adjustment of tax relating to earlier periods	0.44	(0.73)
Deferred tax:		
Relating to origination and reversal of temporary differences	16.45	10.36
Tax expense reported in the statement of profit and loss	418.98	274.18

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year :

	March 31, 2026	March 31, 2025
Net (loss)/ gain on Cash flow hedges :	1.23	(0.29)
Net (loss)/ gain on remeasurements of defined benefit plans :	0.09	(0.21)
Net (loss)/gain on Investment in Equity instruments	4.12	(11.63)
Income tax charged to other comprehensive income	5.44	(12.13)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025 :

	March 31, 2026	March 31, 2025
Accounting profit before tax	1,640.68	1,077.29
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	412.93	271.13
Effect of :		
Expense not allowed for income tax purpose (net)	6.57	3.56
Others	(0.96)	0.22
Tax in respect of earlier years	0.44	(0.73)
Total income tax expense	418.98	274.18

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 14. Tax expenses (Contd..)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2026	March 31, 2025
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	146.80	130.09
Financial assets at fair value through profit or loss	(0.17)	0.52
Financial assets at fair value through OCI	16.75	12.62
Derivative Instruments at fair value through profit or loss	2.32	(1.05)
Remeasurement of defined benefit plans	0.25	0.16
Provision for discounting of Non current assets	(3.15)	(2.19)
Provision towards trade receivables	(6.18)	(4.68)
Leases	(1.79)	(1.26)
Cash Flow Hedges	0.94	(0.29)
Right of use assets	1.87	1.38
Provision for Statutory dues	(1.67)	(1.59)
Provision for inventory	(1.01)	(0.93)
Employee benefits	(1.63)	(1.37)
Provision for Advance Written off	(0.95)	(0.10)
Provision for other deposit	(0.06)	(0.06)
Disallowance of long term incentive	-	(0.63)
MSME Disallowance	(0.31)	(0.50)
Net deferred tax (assets)/ liabilities	152.01	130.12

Reconciliation of Deferred tax liabilities (net):

	March 31, 2026	March 31, 2025
Opening balance	130.12	131.88
Tax (income)/expense during the period recognised in profit or loss	16.45	10.36
Tax (income)/expense during the period recognised in OCI	5.44	(12.13)
Closing balance	152.01	130.12

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 15. Other Liabilities

	March 31, 2026		March 31, 2025	
	Current	Non Current	Current	Non Current
Statutory dues	12.85	-	10.46	-
Contract Liabilities	265.21	158.16	112.75	260.90
	278.06	158.16	123.21	260.90

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 16A. Acceptances

	March 31, 2026	March 31, 2025
Acceptances	285.23	394.61
	285.23	394.61

Notes :-

- Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 180 days

Note 16B. Trade payables

	March 31, 2026	March 31, 2025
Current		
Trade payables*		
a) total outstanding dues to micro enterprises and small enterprises (Refer note 38)	38.49	20.17
b) total outstanding dues to creditors other than micro enterprises and small enterprises	162.68	166.63
	201.17	186.80

Break up of trade payables

	March 31, 2026	March 31, 2025
Trade Payables other than related parties	158.51	183.03
Trade Payables to related parties (Refer note 31D)	42.66	3.77
	201.17	186.80

Trade payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2026				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME (Refer note 38)	34.66	3.72	0.08	0.02	0.01	38.49
(ii) Undisputed dues- Others	107.89	53.97	0.49	0.06	0.27	162.68
Total	142.55	57.69	0.57	0.08	0.28	201.17

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2025				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME * (Refer note 38)	18.68	1.47	0.02	0.00	0.00	20.17
(ii) Undisputed dues- Others	160.13	6.05	0.07	0.32	0.06	166.63
Total	178.81	7.52	0.09	0.32	0.06	186.80

Notes :-

- *Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.
- For terms and conditions with related parties, refer note 31G.
- For explanations on the Company's credit risk management processes (refer note 34).
- There are "unbilled" trade payables, hence the same are disclosed under "Not due category" in the ageing schedule.

*Amount is less than ₹ 0.01

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 17. Other current financial liabilities

	March 31, 2026	March 31, 2025
Derivative Instruments at fair value through Profit & Loss		
Fair valuation of derivative contracts (Refer note 33)	-	5.31
	-	5.31
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (Refer note 12)	0.63	1.21
Interest accrued on current borrowings (Refer note 13)	2.01	2.82
Interest Payable - Related Party (Refer note 12)*	-	0.00
	2.64	4.03
Others		
Capital creditors	3.41	7.05
Capital creditors - Related Party (Refer Note 31D)	0.02	0.02
Employees related payable	41.34	39.91
Liability towards trade discounts	4.15	5.97
Unclaimed dividend	0.06	0.07
	48.98	53.02
	51.62	62.36

Note :- Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange option/ forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing and trade payables and acceptances.

*Amount is less than ₹ 0.01

Note 18. Current Provisions

	March 31, 2026	March 31, 2025
Provision for employee benefits		
Provision for gratuity (Refer Note 28)	-	1.11
Provision for leave encashment	6.49	5.45
	6.49	6.56

Note 19. Revenue from operations

	March 31, 2026	March 31, 2025
Sale of products & services (Refer note 36)	5,456.39	4,353.78
	5,456.39	4,353.78
Other operating revenues:		
Income under state government incentive scheme (net of discounting)*	60.97	56.36
Scrap Sales	3.89	3.81
Sale of Stores, Spares and Consumables	11.14	8.35
Others#	46.47	34.30
	5,578.86	4,456.60

The Company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*Includes accrual of income under state government incentive scheme (gross of discounting) of ₹ 69.98 (previous year ₹ 63.20).

#Includes duty drawback and other ancillary income.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 20. Other income

	March 31, 2026	March 31, 2025
Interest income		
On financial assets carried at amortised cost		
from subsidiaries (Refer note 31C)	72.64	52.75
others	5.58	8.43
On deposits with bank	0.80	0.95
Profit on sale of investments carried at fair value through profit or loss	10.45	7.56
Net gain on disposal of property, plant and equipment	1.09	0.05
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.26	-
Net gain on foreign currency transaction and translation	111.13	9.37
Insurance claim received	-	0.77
Miscellaneous Income	5.29	3.87
	207.24	83.75

Note 21. Cost of materials consumed

	March 31, 2026	March 31, 2025
Raw materials and packing materials at the beginning of the year	303.98	175.86
Add: Purchases during the year	2,526.55	2,482.57
Less: Raw materials and packing materials at the end of the year	277.46	303.98
	2,553.07	2,354.45

Note 22. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2026	March 31, 2025
Opening balance		
Work-in progress	37.17	28.46
Finished goods & Scrap goods	28.96	31.73
Stock-in-trade	1.76	1.88
	67.89	62.07
Closing balance		
Work-in progress	42.44	37.17
Finished goods & Scrap goods	37.76	28.96
Stock-in-trade	13.59	1.76
	93.79	67.89
(Increase)/ Decrease in Inventory		
Work-in progress	(5.27)	(8.71)
Finished goods & Scrap goods	(8.80)	2.77
Stock-in-trade	(11.83)	0.12
	(25.90)	(5.82)

Note 23. Employee benefit expense

	March 31, 2026	March 31, 2025
Salaries and wages (including bonus)	115.09	92.52
Remuneration to directors	41.51	27.34
Contribution to provident and other funds (Refer note 28)	10.45	6.64

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 23. Employee benefit expense (Contd..)

	March 31, 2026	March 31, 2025
Staff welfare expenses	8.48	6.92
Total - A	175.53	133.42
Labour charges (including bonus)	118.02	98.86
Total - B	118.02	98.86
Total expense (A+B)	293.55	232.28

Note 24. Finance costs

	March 31, 2026	March 31, 2025
Interest*		
To banks#	23.75	28.48
To related parties**	0.70	0.00
To Others	1.00	-
Interest on lease liabilities	0.57	0.45
	26.02	28.93

*Net of borrowing costs capitalised (Refer note 3A)

Includes related hedging cost

** Amount is less than 0.01

Note 25. Depreciation and amortisation expense

	March 31, 2026	March 31, 2025
Depreciation of Property, Plant & Equipment (Refer note 3A)	93.80	69.88
Amortisation of intangible assets (Refer note 3B)	3.08	3.04
Depreciation of Right-of-use assets (Refer note 3C)	2.83	1.72
	99.71	74.64

Note 26. Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	30.74	23.81
Repairs and maintenance :		
Plant and machinery	24.03	16.47
Buildings	9.71	2.95
Others	9.83	8.21
Water and electricity expenses	58.75	51.11
Rates and taxes	4.44	4.03
Legal and professional fees	17.61	14.12
Travelling and conveyance	21.23	12.92
Sales commission expenses	13.76	11.57
Freight and forwarding expenses	398.76	245.53
Transportation expenses	45.78	44.09
Pump truck expenses	26.59	25.08
Security service expenses	9.27	8.20
Sales promotion expenses	13.09	12.76
Donations	8.13	3.32
Advertisement expenses	8.52	2.52
Advances written off	0.12	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 26. Other expenses (Contd..)

	March 31, 2026	March 31, 2025
Provision for advance given	3.35	-
Directors' sitting fees	0.46	0.47
Net loss on financial assets mandatorily measured at fair value through profit or loss	-	0.21
Bad debts written off	1.31	0.41
Impairment loss on financial assets (Refer Note 7)	6.03	9.05
Corporate Social Responsibility expenditure (Refer note 26(b))	16.73	11.82
Payments to auditors (Refer note 26(a))	3.26	2.17
Insurance expense	15.12	9.60
Information technology expenses	19.32	11.05
Factory Expenses	4.94	5.33
Miscellaneous expenses (mainly includes bank charges, communication, office expenses, conveyance etc)	18.90	10.60
	789.78	547.40

Note 26(a). Details of payments to auditors

	March 31, 2026	March 31, 2025
Payment to auditors		
As auditor:		
Audit fee	2.45	1.52
Limited Review	0.65	0.53
In other capacity		
Certification Fees	0.08	0.05
Others (Including technology surcharge and out of pocket expense etc.)	0.08	0.07
	3.26	2.17

Note 26(b). CSR expenditure

	March 31, 2026	March 31, 2025
a) Gross amount required to be spent by the Company during the year	16.73	11.80
b) Amount approved by the Board to be spent during the year	16.73	11.80
c) Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	23.24	32.46
d) Details related to spent / unspent obligation :		
i) Promotion of Education	1.16	6.98
ii) Promoting Health Care	5.20	2.84
iii) Animal Welfare and Rural Development	-	0.50
iv) Contribution to Empowerment of Women, Orphan and Skill Development	0.58	0.36
v) Protection of national heritage, art & culture:	15.80	21.28
vi) Ensuring Environment Sustainability	0.25	0.50
vii) Promotion of literacy and Sports	0.25	-
	23.24	32.46

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 26(b). CSR expenditure (Contd..)

Details of other than ongoing project

March 31, 2026

Under Section 135(5) of the Companies Act, 2013 Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Excess amount carried forward for next year
20.66	16.73	23.24	27.17

March 31, 2025

Under Section 135(5) of the Companies Act, 2013 Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Excess amount carried forward for next year
-	11.80	32.46	20.66

Note 27. Earnings per share (EPS)

	March 31, 2026	March 31, 2025
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS	1,221.70	803.11
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS per share attributable to the equity holders of the Company (In ₹)	135.01	88.75
Nominal value per share (In ₹)	2.00	2.00

Note 28. 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 Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes, collectively referred to as the 'New Labour Codes' and notified with effect from 21st November 2025. Under the code, 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). The scheme is funded with insurance companies in the form of qualifying insurance policies.

The following tables summarize 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, 2026	March 31, 2025
Service cost	3.63	1.78
Net interest cost	0.07	(0.05)
Expense recognized in the statement of Profit and Loss	3.70	1.73

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 28. Employee Benefit Obligations (Contd..)

Other Comprehensive Income

	March 31, 2026	March 31, 2025
Actuarial gain / (loss) on liabilities	0.41	(0.79)
Actuarial gain / (loss) on assets	(0.04)	(0.03)
Closing amount recognized in OCI	0.37	(0.82)

The amount recognized in Balance Sheet

	March 31, 2026	March 31, 2025
Present value of funded obligation	21.47	17.71
Less :- Fair value of plan assets	22.75	16.60
Net defined benefit (assets) / liability recognized In balance sheet	(1.28)	1.11

Change in Present Value of Obligations

	March 31, 2026	March 31, 2025
Opening defined benefit obligations	17.71	14.65
Service cost	3.63	1.78
Interest cost	1.14	1.05
Benefit paid	(0.60)	(0.56)
Actuarial (gain)/ loss on total liabilities	(0.41)	0.79
Closing defined benefit obligations	21.47	17.71

Change in Fair Value of Plan Assets

	March 31, 2026	March 31, 2025
Opening fair value of plan assets	16.60	15.32
Actual return on plan assets	1.03	1.07
Employer contribution	5.72	0.77
Benefit paid	(0.60)	(0.56)
Closing fair value of plan assets	22.75	16.60

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2026	March 31, 2025
Investments with insurer (LIC)	82%	72%
Investments with insurer (ICICI)	18%	28%

The significant actuarial assumptions were as follows :

	March 31, 2026	March 31, 2025
Discount Rate	6.80% per annum	6.54% per annum
Rate of increase in compensation levels	8.00% per annum	8.00% per annum
Rate of Return on plan assets	6.54% per annum	7.19% per annum
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 28. Employee Benefit Obligations (Contd..)

The estimates of future salary increases in actuarial valuation taking into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2025: 6 years).

The expected contribution for defined benefit plan for the next financial year is ₹ 3.72.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2026	Impact (Absolute)	Impact (%)
Base Liability	21.47		
Increase Discount Rate by 0.50%	20.99	(0.48)	(2.23%)
Decrease Discount Rate by 0.50%	21.64	0.17	0.79%
Increase Salary Inflation by 1.00%	21.95	0.48	2.23%
Decrease Salary Inflation by 1.00%	20.70	(0.77)	(3.59%)
Increase in Withdrawal Assumption by 5.00%	20.99	(0.48)	(2.23%)
Decrease in Withdrawal Assumption by 5.00%	21.71	0.24	1.12%

	March 31, 2025	Impact (Absolute)	Impact (%)
Base Liability	17.71		
Increase Discount Rate by 0.50%	17.30	(0.41)	(2.29%)
Decrease Discount Rate by 0.50%	18.13	0.43	2.40%
Increase Salary Inflation by 1.00%	18.54	0.83	4.69%
Decrease Salary Inflation by 1.00%	16.94	(0.77)	(4.37%)
Increase in Withdrawal Assumption by 5.00%	17.31	(0.40)	(2.28%)
Decrease in Withdrawal Assumption by 5.00%	18.29	0.58	3.26%

Notes :

- Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.
- Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Note 29 : Capital Commitments

	March 31, 2026	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances)	97.12	70.43

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Contingent liabilities

	March 31, 2026	March 31, 2025
Guarantees		
Corporate guarantees given by the Company on behalf of its overseas subsidiaries in respect of borrowings taken	685.40	546.81
Guarantees given by Company's Bankers on behalf of the Company, against standby letter of credit (SBLC's) to its subsidiaries.	157.89	227.78
Claims against the Company not acknowledged as debts (Note a)		
Excise & Custom related matters	2.41	1.25
GST related matters	3.04	8.22
Sales tax / VAT related matters	0.72	0.72

Note a.

The Company is contesting the demands and the management, based on opinion of its tax/legal advisors, believes that its position will likely be upheld in the appellate process and hence, no tax expense has been accrued in the standalone 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 31. Related Party Information

Sr. No.	Name of related party and relationship	Country of Incorporation
A	Where Control exists :-	
i)	Direct Subsidiaries	
1	Solar Defence and Aerospace Limited (Formerly known as Economic Explosives Limited)	India
2	Emul Tek Private Limited	India
3	Solar Defence Limited (Note - i)	India
4	Solar Defence Systems Limited (Note - i)	India
5	Solar Avionics Limited (Note - i)	India
6	Solar Explochem Limited	India
7	Solar Aerospace Limited (Note - i)	India
8	Solar Overseas Mauritius Limited	Mauritius
ii)	Subsidiaries of Solar Overseas Mauritius Limited, Mauritius	
	Solar Overseas Singapore Pte Limited	Singapore
	Solar Overseas Netherlands Cooperative U.A	Netherlands
	Solar Industries Africa Limited	Mauritius
	Solar Nitro Zimbabwe (Private) Limited (Note - i)	Zimbabwe
	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Tanzania
iii)	Subsidiaries of Solar Singapore Pte Ltd, Singapore	
	Solar Mining Services Pty Limited	Australia
	Solar Mining Services Cote d'Ivoire Limited SARL (Note -i)	Ivory Coast
	Solar Mining Services Albania	Albania
	Solar Nitro SARL (Note i)	Ivory Coast
	Solar Nitro Kazakhstan Limited	Kazakhstan
	Solar Nitro (SL) Limited (Note-i)	Sierra Leone
iv)	Subsidiaries of Solar Industries Africa Limited, Mauritius	
	Solar Nitro Chemicals Limited	Tanzania
	Solar Mining Services Burkina Faso SARL (Note -i)	Burkina Faso
v)	Subsidiaries of Solar Overseas Netherlands Co U.A., Netherlands	
	Solar Mining Services Pty Limited	South Africa
	Solar Nigachem Limited (Formerly know as Nigachem Nigeria Limited)	Nigeria
	Solar Overseas Netherlands B.V.	Netherlands
	Solar Explochem Zambia Limited	Zambia

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

Sr. No.	Name of related party and relationship	Country of Incorporation
vi)	Subsidiaries of Solar Overseas Netherlands B.V., Netherlands	
	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey
	P.T. Solar Mining Services	Indonesia
	Solar Nitro Ghana Limited	Ghana
	Solar Madencilik Hizmetleri Anonim Sirketi	Turkey
	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey
vii)	Limited Liability Partnership of Solar Nitro Kazakhstan Limited	
	Power Blast LLP	Kazakhstan
viii)	Subsidiary of Solar Mining Services PTY Limited South Africa	
	Problast BS (Pty) Ltd	South Africa
	Maxigear (Pty) Ltd	South Africa
	Frag Shared Services (Pty) Ltd	South Africa
	Procapture (Pty) Ltd	South Africa
	Problast BBBEE Investment Co. (Pty) Ltd	South Africa

Note - i: The entity has not commenced its business operations

Note - ii: The entity is under liquidation

B Other Related Parties:-

I Non Executive Director

Shri Satyanarayan Nuwal (Chairman)

II Key Management Personnel (KMP)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director)

Shri Moneesh Agrawal (Joint Chief Financial Officer)

Smt. Shalinee Mandhana (Joint Chief Financial Officer)

Smt. Khushboo Pasari (Company Secretary and Compliance Officer)

III Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal (Brother of Chairman)

Smt. Leeladevi Nuwal (Wife of Chairman)

Smt. Seemadevi Nuwal (Wife of Managing Director)

Shri Raghav Nuwal (Son of Managing Director)

IV Non Executive Independent Directors **

Smt. Girija Balakrishnan (appointed w.e.f. September 18, 2025)

Shri Viswanathan Lakshmanan (appointed w.e.f. October 18, 2025)

Shri Ramesh Bhujang (appointed w.e.f. December 3, 2025)

Shri Natrajan Ramakrishna (Non-Executive Independent Director upto October 16, 2025.)

Shri Jagdish Belwal (Non-Executive Independent Director upto December 4, 2025)

Smt. Rashmi Prasad (Non-Executive Independent Director upto September 19, 2025)

Shri Dinesh Kumar Batra (Non-Executive Independent Director upto March 30, 2026)

** Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2025-26.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

V Entities where Directors/ Close family members of Directors having control/significant influence (with whom transactions have taken place)

Solar Synthetics Private Limited

VI Associates and Joint Venture

ZMotion Autonomous Private Limited

Solar United Company Limited (Formerly known as Solar AGC Limited Laibility) (Note - i)

Ortiz Investments Pty Limited (Note - i)

VII Post Employment Benefit Plans

Solar Industries India Limited employee group gratuity assurance scheme

Solar Defense and Aerospace Limited (Formally known as Economic Explosives Limited) employee group gratuity assurance scheme (Post employment benefit plan of the Company)

Refer note 28 for information on transactions with post employment benefit plan mentioned above

Note - i: The entity has not commenced its business operations

C. Transactions with related parties during the year

Nature of Transaction	March 31, 2026	March 31, 2025
Sales of products and services		
Solar Defense and Aerospace Limited	205.53	107.27
Emul Tek Private Limited	72.63	16.21
Solar Explochem Limited	8.67	0.01
Solar Nigachem Limited	79.99	62.63
Solar Explochem Zambia Limited	81.08	47.50
P.T. Solar Mining Services, Indonesia	1.45	8.83
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	66.37	52.47
Solar Mining Services Pty Ltd, South Africa	239.32	143.24
Solar Mining Services Pty Ltd, Australia	162.89	136.66
Solar Nitro Ghana Limited	44.42	22.11
Solar Nitro Chemicals Limited	41.68	33.83
Solar Nitro Zimbabwe Private Limited	15.60	-
Power Blast Llp Kazakhstan	0.27	-
Total	1,019.90	630.76
Other income		
Solar Nigachem Limited - Secondment income	0.10	-
Solar Nitro Zimbabwe Private Limited - Secondment income	0.11	-
Solar Nitro Chemicals Limited, Tanzania - Secondment income	0.06	-
Pt. Solar Mining Services, Indonesia - Secondment income	0.23	-
Solar Defense and Aerospace Limited- Secondment income	1.97	-
Solar Explochem Zambia Limited - Secondment income	0.27	-
Other operating income		
Emul Tek Private Limited - Transportation charges recovered	5.78	3.09
Solar Defense and Aerospace Limited - Transportation charges recovered	2.97	3.20
Solar Explochem Limited - Transportation charges recovered	0.01	-
Solar Nigachem Limited - Technical consultancy	2.26	2.59

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

Nature of Transaction	March 31, 2026	March 31, 2025
Other Income (Arrangement fees)		
Solar Overseas Mauritius Limited	0.74	0.81
Solar Mining Services Pty Ltd, South Africa	0.32	0.36
Solar Nigachem Limited	0.05	0.05
Solar Nitro Ghana Limited	0.17	0.16
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.33	0.32
Solar Mining Services (Pty) Ltd Australia	0.20	0.33
Cross Charges recovered		
Solar Defense and Aerospace Limited	0.75	1.39
Emul Tek Private Limited	0.26	0.21
Solar Nigachem Limited	0.34	0.50
Solar Explochem Zambia Limited	0.27	0.25
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.66	0.71
Solar Mining Services Pty Ltd, South Africa	0.59	0.25
Solar Nitro Ghana Limited	0.20	0.09
Solar Mining Services Pty Ltd, Australia	0.16	0.15
Pt. Solar Mining Services, Indonesia	0.05	0.02
Solar Madencilik Hizmetleri Anonim Sirketi	0.02	0.02
Solar Nitro Chemicals Limited, Tanzania	0.13	0.10
Total	19.00	14.60
Sale of property, plant & equipment and project sales		
Emul Tek Private Limited	-	0.07
Solar Defense and Aerospace Limited	-	0.01
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.45	5.13
Solar Explochem Zambia Limited	4.78	3.83
Solar Nitro Chemicals Limited, Tanzania	-	2.85
Total	5.23	11.89
Purchase of raw material, packing material and consumables		
Solar Defense and Aerospace Limited	476.48	305.19
Solar Mining Services Pty Ltd, Australia	0.02	0.02
Emul Tek Private Limited	3.14	0.85
Solar Explochem Ltd.	0.53	0.31
Total	480.17	306.37
Purchase of property, plant & equipment		
Solar Defense and Aerospace Limited	2.00	0.29
Total	2.00	0.29
Purchase of import license		
Solar Defense and Aerospace Limited	-	0.30
Total	-	0.30
Other Expenditure		
Solar Defense and Aerospace Limited -Transportation charges paid	0.27	0.56
Solar Synthetics Private Limited (Rent)	0.04	0.04
Total	0.31	0.60
Investment		
Solar Aerospace Limited	-	0.05
Emul Tek Private Limited	65.64	-
Solar Explochem Limited	85.50	-
Total	151.14	0.05

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

Nature of Transaction	March 31, 2026	March 31, 2025
Loan converted into equity investment		
Solar Overseas Mauritius Ltd.	-	248.01
Total	-	248.01
Loans given/ (repaid) during the year		
Given		
Solar Defense and Aerospace Limited	877.35	771.65
Emul Tek Private Limited	389.40	158.68
Solar Explochem Limited	195.71	143.94
Solar Overseas Mauritius Limited	53.15	351.55
	1,515.61	1,425.82
Repaid		
Solar Defense and Aerospace Limited	(624.30)	(771.65)
Solar Overseas Mauritius Limited	-	(60.45)
Emul Tek Private Limited	(277.05)	(86.93)
Solar Explochem Limited	(229.86)	-
	(1,131.21)	(919.03)
Total (net)	384.40	506.79
Loans taken/ (repaid) during the year		
Taken		
Solar Defense and Aerospace Limited	262.87	1.90
Repaid		
Solar Defense and Aerospace Limited	(264.77)	-
Total	(1.90)	1.90
Interest income		
Solar Defense and Aerospace Limited	5.48	5.64
Solar Explochem Limited	25.31	8.71
Emul Tek Private Limited	15.56	11.43
Solar Overseas Mauritius Limited	26.29	26.97
Total	72.64	52.75
Interest Paid*		
Solar Defense and Aerospace Limited	0.70	0.00
Total	0.70	0.00
Remuneration to KMP		
Short-term employee benefits		
Shri Manish Nuwal	38.50	24.00
Shri Suresh Menon	1.74	2.05
Shri Milind Deshmukh	1.27	1.59
Shri Moneesh Agrawal	0.60	0.56
Smt. Shalineen Mandhana	0.59	0.49
Smt. Khushboo Pasari	0.32	0.29
Total	43.02	28.98
Sitting fees		
Shri Natrajan Ramkrishna	0.07	0.13
Shri Jagdish C Belwal	0.14	0.19
Smt. Rashmi Prasad	0.05	0.10
Shri Dinesh Kumar Batra	0.08	0.05
Smt. Girija Balakrishnan	0.06	-
Shri Vishwanathan Lakshmanan	0.05	-
Shri Ramesh Bhujang	0.01	-
Total	0.46	0.47

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

Nature of Transaction	March 31, 2026	March 31, 2025
Guarantee (including SBLC) given/(extinguished)/expired on behalf of subsidiary		
Solar Overseas Mauritius Limited (Net)	(16.76)	33.19
Solar Mining Services Pty Limited, South Africa	-	(27.98)
Solar Mining Services Pty Limited, Australia	-	(25.96)
Total	(16.76)	(20.75)

Terms and conditions of transactions with related parties

Assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

D. Balance outstanding at the year end are as follows:

	March 31, 2026	March 31, 2025
Loans Given		
Solar Explochem Limited	146.81	180.96
Solar Overseas Mauritius Limited	341.39	256.41
Emul Tek Private Limited	279.20	166.86
Solar Defense and Aerospace Limited	253.05	-
Total	1,020.45	604.23
Other Financial Assets (Accrued Interest)		
Solar Defense and Aerospace Limited	4.19	-
Solar Explochem Limited	8.15	9.45
Emul Tek Private Limited	4.96	2.52
Solar Overseas Mauritius Limited	12.19	11.97
Total	29.49	23.94
Trade receivables		
Solar Nigachem Limited	50.25	34.11
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	81.14	69.65
Solar Mining Services Pty Limited, South Africa	163.37	120.94
Solar Explochem Zambia Limited	60.60	5.34
Emul Tek Private Limited	2.12	9.83
Solar Explochem Limited	0.54	0.01
Solar Defense and Aerospace Limited	0.93	7.25
Solar Mining Services Pty Limited, Australia	121.24	99.58
Solar Overseas Mauritius Limited	-	-
P.T. Solar Mining Services	-	2.63
Solar Nitro Chemicals Limited	23.37	15.17
Solar Nitro Ghana Limited	27.35	10.89
Solar Madencilik Hizmetleri Anonim Sirketi	-	0.03
Solar Nitro Zimbabwe (Pvt) Ltd	17.11	-
Power Blast LLP	0.20	-
Total	548.22	375.43

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

	March 31, 2026	March 31, 2025
Other Receivable		
Solar Defense and Aerospace Limited	0.41	0.56
Total	0.41	0.56
Trade payables		
Solar Defense and Aerospace Limited	39.61	3.45
Emul Tek Private Limited	2.04	0.09
Solar Mining Services Pty Limited, Australia	0.79	0.06
Solar Synthetics (P) Limited	0.22	0.18
Total	42.66	3.78
Other Current Financial Liabilities		
Solar Mining Services (Pty) Limited, Australia	0.02	0.02
Shri Manish Nuwal	19.82	10.94
Shri Kailashchandra Nuwal (Note 31 F)	0.13	0.13
Total	19.97	11.09
Loan Taken		
Solar Defense and Aerospace Limited	-	1.90
Total	-	1.90
Interest Payable		
Solar Defense and Aerospace Limited*	-	0.00
Total	-	0.00

E. Balance of guarantees outstanding at the year end are as follows:

	March 31, 2026	March 31, 2025
Guarantees (including SBLC) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	513.98	477.78
Solar Mining Services Pty Limited, South Africa	66.86	60.26
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	142.25	128.21
Solar Nigachem Limited	21.15	19.06
Solar Nitro Ghana Limited	14.22	12.82
Solar Mining Services Pty Limited, Australia	84.84	76.46
Total	843.30	774.59

Note: Balance of guarantees outstanding as at the end of the year in foreign currency have been converted at the prevailing rate of exchange as at the year end.

* Amount is less than ₹ 0.01.

F. Shri Kailashchandra Nuwal, Executive Director and Vice Chairman of the Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Company and AG Technologies Private Limited, which was related party.

Based on legal opinions obtained, the Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

The Civil Appeal was listed before the Hon'ble Supreme Court on August 26, 2025. After considering the submissions of the parties, the Hon'ble Supreme Court was pleased to note that the term of the directorship of Shri Kailashchandra Nuwal, the Company's erstwhile director, from April 1, 2016 to March 31, 2021, had expired. In view of the above, the Hon'ble Supreme Court was pleased to dispose of the Civil Appeal.

G Terms and conditions of transactions with related parties

(i) Sales to related parties and concerned balances

(a) For terms of transaction

Sales are made to related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees sales price, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties, who purchase goods and services of the Company in similar quantities. Such sales generally include payment terms requiring related party to make payment within 30 days for domestic related parties and 30-180 days for international related parties from the date of invoice.

(b) For terms of balance

Trade receivables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these receivables.

(ii) Purchases of goods and related balances

(a) For terms of transaction

Purchases are made from related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Company mutually negotiates and agrees purchase price and payment terms with the related parties by benchmarking the same to transactions with non-related parties entered into by the counter-party and similar purchase transactions entered into by the Company with the other non-related parties.

(b) For terms of balance

Trade payables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been given against these payables.

(iii) Services rendered to related parties

The Company has entered into contract with related party for rendering the licensing, technical consultancy and transportation services, employee services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(iv) Services received from related parties

The Company has received licencing, rental services and transportation services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(v) Items of Property, Plant and Equipment (PPE) purchased from the related party

The Company purchased items of PPE from related parties. The purchase was made on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(vi) Items of Property, Plant and Equipment (PPE) sold to the related party

The Company sold items of PPE to related parties. The sales were made on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31. Related Party Information (Contd..)

(vii) Loans given to related parties

The loan granted to direct subsidiaries was given in the year 2025-26 for business purpose. The loan has been utilized by the subsidiaries for the purpose it was obtained. The loan carries interest at 8.5% - 9.5% p.a. For the year ended March 31, 2026, the Company has not recorded any impairment on loans due from subsidiaries (March 31, 2025: Nil).

(viii) Loans taken from the related parties

The loan taken from direct subsidiary in the year 2025-26 for business purpose. The loan carries interest at 8.5% - 9% p.a. which is at arms length and not prejudicial to the interest of the Company.

(ix) Guarantees given on behalf of related parties

The Company has outstanding guarantee against loan amounting to ₹ 843.29 as on March 31, 2026 (March 31, 2025 - ₹ 774.59) obtained from bank to finance the working capital and operational requirement. The Company expects that subsidiaries will make payment to the bank when the loan is repayable. For the year ended March 31, 2026, the Company has not recorded any impairment on guarantee arrangement (March 31, 2025 - Nil).

(x) Compensation to KMP

The amounts disclosed in the table of Note 31 (c) represents the expense recognised, which includes remuneration paid during the financial year related to KMPs as approved by the respective committees. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation. Hence, amounts attributable to KMPs are not separately determinable.

(xi) Compensation to Independent directors of the Company

The amounts disclosed in the table of Note 31 (c) represents director sitting fees paid during the financial year related to independent director as approved by the respective committees.

Note 32. Segment Information

The Company has identified 'Explosives and its accessories and related services', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 33. Fair value measurements (Contd..)

- The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing, Option contracts and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- 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.
- Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values. The own non-performance risk as at March 31, 2026 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, 2026 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	730.88	4	-	-	-
Loans	1,020.45	5	-	-	-
Other financial assets (except derivatives)	212.66	6	-	-	-
Trade receivables	984.79	7	-	-	-
Cash and cash equivalents	250.36	8	-	-	-
Bank balances other than cash and cash equivalents	3.44	8	-	-	-
Assets measured at fair value :					
Derivative financial assets					
Foreign exchange forward contracts - US Dollar	12.97	6	-	12.97	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted) (includes compulsorily convertible preference shares)	134.58	4	-	-	134.58
Investment carried at Fair Value through profit and loss					
Investment in equity instruments of others (unquoted)	1.51	4	-	-	1.51
Total Financial Assets	3,351.64		-	12.97	136.09
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	78.75	12	-	-	-
Current	62.92	13	-	-	-
Acceptances	285.23	16A	-	-	-
Trade payables	201.17	16B	-	-	-
Lease liabilities	7.13	3C	-	-	-
Other financial liabilities (except derivatives)	51.62	17	-	-	-
Total Financial Liabilities	686.82		-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 33. Fair value measurements (Contd..)

There have been no transfers among Level 1, Level 2 and Level 3 during the current year.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2025 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	579.74	4	-	-	-
Loans	604.23	5	-	-	-
Other financial assets (except derivatives)	190.77	6	-	-	-
Trade receivables	786.52	7	-	-	-
Cash and cash equivalents	192.92	8	-	-	-
Bank balances other than cash and cash equivalents	3.25	8	-	-	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted) (includes compulsorily convertible preference shares)	105.75	4	-	-	105.75
Investment carried at Fair Value through profit and loss					
Investment in equity instruments of others (unquoted)	0.97	4	-	-	0.97
Investment in SBI Overnight Fund (Direct Growth)	172.50	4	172.50	-	-
Total Financial Assets	2,636.65		172.50	-	106.72
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	93.56	12	-	-	-
Current	101.38	13	-	-	-
Acceptances	394.61	16A	-	-	-
Trade payables	186.80	16B	-	-	-
Lease liabilities	5.01	3C	-	-	-
Other financial liabilities (except derivatives)	57.05	17	-	-	-
Liabilities measured at fair value					
Derivative financial liabilities :					
Foreign exchange forward contracts - US Dollar	5.31	17	-	5.31	-
Total Financial Liabilities	843.72		-	5.31	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 33. Fair value measurements (Contd..)

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (Weighted Average)
Investment carried as FVTOCI (Investment in Compulsorily Convertible Preference Shares and equity shares of Skyroot Aerospace Private Limited)	DCF method	Long-term growth rate for cash flows for subsequent years	31 st March 2026 :- 73% to 438%
		EBITDA Margin	31 st March 2025 :- 3% to 1853%
			31 st March 2026 :- (90%) to 48%
			31 st March 2025 :- (696%) to 71%
		WACC	31 st March 2026 :- 65%
			31 st March 2025 :- 45%

Note 34. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, acceptances, other financial liabilities 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, other financial assets and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigatory measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term deposits	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange risk	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options/ forward contracts
Market Risk- Equity price risk	Investment in Equity Securities, mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables, other financial assets and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letter of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables, acceptances, other financial liabilities and financial guarantee contracts.	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34. Financial risk management objectives and policies (Contd..)

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits."

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company borrows funds from domestic and international markets to meet its long-term and short-term funding requirements. It is subject to risks arising from fluctuations in interest rates. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the instrument	Amount in INR		
	Currency	March 31, 2026	March 31, 2025
Derivatives designated as hedge			
Forward contract	USD	2.81	4.76

0.5% changes in interest rate will increase the borrowing cost by ₹ 0.71 (Pre Tax) (March 31, 2025 : ₹ 0.97 (Pre Tax)).

The Company has investment in Bank Deposits and hence is exposed to interest rate sensitivity. 0.5% changes in interest rate will decrease interest income by ₹ 0.02 (March 31, 2025 : ₹ 0.52).

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relate primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

a) Derivative outstanding as at the reporting date

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. In order to hedge the foreign currency risk on these payables, the Company has taken foreign exchange forward, which are as follows:

Name of the instrument	Amount in INR		
	Currency	March 31, 2026	March 31, 2025
Derivatives not designated as hedge			
Forward contract	USD	154.34	62.30
Derivatives designated as hedge			
Forward contract	USD	203.28	292.69

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34. Financial risk management objectives and policies (Contd..)

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2026							
	USD	SEK	ZAR	TRY	EUR	GBP	AUD	AED
Trade Receivable	413.41	-	163.37	81.14	-	-	121.24	-
Loans	341.39	-	-	-	-	-	-	-
Other Financial Assets	12.19	-	-	-	-	-	-	-
Funds in Transit	147.29	-	-	3.61	-	-	-	-
Capital Creditors*	0.02	-	-	-	0.00	0.11	-	-
Trade Payables	16.57	0.35	-	-	0.59	-	0.99	-
Acceptances	0.83	-	-	-	-	-	-	-
Employee related Payable*	-	-	-	-	-	-	-	0.00

	March 31, 2025							
	USD	SEK	ZAR	TRY	EUR	GBP	AUD	AED
Trade Receivable	299.01	-	120.94	69.65	-	-	99.52	-
Loans	256.41	-	-	-	-	-	-	-
Other Financial Assets	11.97	-	-	-	-	-	-	-
Funds in Transit	-	-	-	-	-	-	-	-
Capital Creditors*	0.02	-	-	-	-	-	-	-
Trade Payables	8.37	0.22	-	-	0.04	-	0.06	-
Acceptances	5.81	-	-	-	-	-	-	-
Employee related Payable	-	-	-	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

	March 31, 2026	March 31, 2025
USD	8.97	5.53
SEK *	(0.00)	(0.00)
ZAR	1.63	1.21
TRY	0.85	0.70
GBP*	(0.00)	-
EURO*	(0.01)	(0.00)
AUD	1.20	0.99
AED*	0.00	-

* Amount is less than ₹ 0.01

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the invested securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Director reviews and approves all equity investment decisions.

	March 31, 2026	March 31, 2025
Investment in mutual funds	-	172.50

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34. Financial risk management objectives and policies (Contd..)

The impact of increases/ decreases of the BSE/ NSE index on the Company's investments and gain/ loss for the year would be ₹ Nil (March 31, 2025: ₹ 1.73) (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 investing and 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, subsidiaries 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, 2026	876.89	59.51	73.01	1,009.41
As at March 31, 2025	726.05	38.36	40.70	805.11

The following table summarizes the changes in the provisions made for the receivables:

	March 31, 2026	March 31, 2025
Opening balance	18.59	9.54
Provided/(Reversed) during the year	6.03	9.05
Closing balance	24.62	18.59

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. The processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2026						
Borrowings						
From Banks	-	17.50	33.75	78.75	-	130.00
From related party	-	-	-	-	-	-
Non Convertible Debenture	-	2.92	8.75	-	-	11.67
Acceptances	-	242.85	42.38	-	-	285.23
Trade payables	-	201.17	-	-	-	201.17
Other financial liabilities (excluding lease liabilities)	0.06	37.45	14.11	-	-	51.62
Lease liabilities (Gross)	-	0.85	2.52	4.61	-	7.98
Derivative Instruments	-	-	-	-	-	-
March 31, 2025						
Borrowings						
From Banks	-	19.85	54.86	80.00	-	154.71
From related party	-	-	-	1.90	-	1.90
Non Convertible Debenture	-	7.91	18.75	11.67	-	38.33
Acceptances	-	247.90	146.71	-	-	394.61
Trade payables	-	186.80	-	-	-	186.80
Other financial liabilities (excluding derivatives and lease liabilities)	0.07	39.96	15.87	1.15	-	57.05
Lease liabilities (Gross)	-	0.48	1.41	3.63	0.32	5.84
Derivative Instruments	-	0.84	4.47	-	-	5.31

Note 35. 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, 2026	March 31, 2025
Net Debt (see note below)	(109.67)	(171.41)
Equity	4,226.82	3,066.96
Capital Employed	4,117.15	2,895.55
Net Gearing ratio*	-	-

*Net Gearing ratio for March 31, 2026 & March 31, 2025 not calculated since net debt is negative

Calculation of net debt is as follows :

	March 31, 2026	March 31, 2025
Borrowings		
Non-Current	78.75	93.56
Current	62.92	101.38
	141.67	194.94
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	251.34	193.85
Current Investments	-	172.50
	251.34	366.35
Net Debt	(109.67)	(171.41)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 35. Capital management (Contd..)

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 and previous year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026 and March 31, 2025.

Note 36. Revenue from sale of products and services

a. Principal revenue generation activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Company's disaggregated revenue by geographical location.

	March 31, 2026	March 31, 2025
India	2,856.62	2,765.71
Rest of the World	2,599.77	1,588.07
Total	5,456.39	4,353.78

c. Timing of revenue recognition

	March 31, 2026	March 31, 2025
From transfer of goods and services at a point in time	5,456.39	4,353.78
Total	5,456.39	4,353.78

d. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2026.

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, 2026	March 31, 2025
Trade Receivables	984.79	786.52
Contract Liabilities	423.37	373.65

e. Set out below is the amount of revenue recognised from :

	March 31, 2026	March 31, 2025
Amounts included in contract liabilities at the beginning of the year	31.96	35.53

Increase/ (decrease) in contract liability is mainly on account of receipt from customers and revenue recognized during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 36. Revenue from sale of products and services (Contd..)

f. Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

	March 31, 2026	March 31, 2025
Revenue as per contracted price	5,528.01	4,398.28
Adjustments for:		
Rebates, Discounts, Powder Factor and other deductions	(71.62)	(44.50)
Revenue from contract with customers	5,456.39	4,353.78

g. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of the order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2026, the aggregate amount of the transaction price allocated to order backlog was ₹ 10,187.57 (March 31, 2025 - ₹ 10,380.81). The Company expects to recognise revenue within 6 years.

Note 37. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2026	March 31, 2025	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	2.21	2.20	0.45%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.03	0.06	-50.00%	Ratio has improved due to stronger operational profitability and term loan repayments.
Debt Service Coverage Ratio	Earning available for Debt Service [#]	Debt Service [^]	13.55	7.53	79.95%	Ratio has improved primarily due to an increase in EBITDA during the current year.
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	33.50%	29.67%	12.91%	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	40.35	43.69	-7.64%	
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivables	6.01	6.13	-1.96%	
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payables ^{##}	5.50	5.93	-7.25%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital	4.69	4.11	14.11%	
Net Profit Ratio	Net Profit after Tax	Revenue from operation	21.90%	18.02%	21.53%	
Return on Capital Employed Ratio	Earning Before Interest and Taxes	Average Capital Employed [*]	42.13%	35.78%	17.75%	
Return on Investment Ratio	Non operating income from investment	Average Investment ^{*^}	8.07%	3.36%	140.18%	Ratio has improved on account of increase in investment income.

[#] Net Profit before Taxes+ Depreciation and Amortization+ Finance cost excluding Interest on Lease

^{*} Net Worth + Total Debt + Deferred Tax Liabilities

^{**} Investments includes Fixed Deposit

[^] Finance cost - Interest on lease + Borrowing cost capitalised + Repayment made

^{##} includes acceptances

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 38. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2026	March 31, 2025
Principal amount outstanding (whether due or not) to micro and small enterprises	38.49	20.17
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note : Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

Note 39. Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- (v) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 40. Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the SAP HANA application and the underlying HANA database. Further no instance of audit trail feature being tampered with was noted in respect of software. Additionally, the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Note 41. The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and / or reporting of any of these events or transactions in the financial statements. As on May 15, 2026, there are no subsequent events to be recognized or reported.

Note 42. Previous year's figures have been regrouped and rearranged where necessary to confirm to this year's classification.

Note 43. On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed the incremental impact of these changes arising from the implementation of the Labour Codes based on its best judgment. Accordingly, the Company has recognised a financial impact of ₹ 1.35 crore in accordance with Ind AS 19 - 'Employee Benefits' in the financial statement for the year ended March 31, 2026.

Note 44. The Standalone financial statements were approved for issue by the Board of Directors on May 15, 2026

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

For and on behalf of the Board of Directors of
Solar Industries India Limited

per C.N. Rathi
Partner
Membership No.- 039895

per Hemal Shah
Partner
Membership No.- 110829

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Place : Nagpur
Date : May 15, 2026

Place : Nagpur
Date : May 15, 2026

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026



Consolidated Financial Statements

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, and joint operation comprising of the consolidated Balance sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, and joint operation, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint operation as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities

for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, and joint operation in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters

Revenue Recognition (as described in note 2.2(j) of the consolidated financial statements)

Revenue from sale of goods is recognized as outlined in note 20 of the consolidated financial statements.

The Holding Company estimates the Charges for powder factor on sales made to certain customers, which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreements with customers, volume of output achieved at the sites, which is measured at a later date. Accordingly, the provision is made based on estimate of powder factor achieved on current sales which is reduced from the sales for the period.

As at March 31, 2026, the Holding Company is carrying a provision for powder factor charges of ₹ 37.39 crore.

How our audit addressed the key audit matter

Our audit procedures included, amongst others the following:

- We evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers).
- We assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor charges.
- We read the agreement with customers for validating terms relating to powder factor.

Key audit matters	How our audit addressed the key audit matter
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.	• We assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor charges. • We tested on sample basis; the accuracy of the underlying data used for computation of powder factor charges and verified the arithmetical accuracy of powder factor charges. • We tested on sample basis; powder factor deductions documents received from the customers. • We compared the provision for powder factor charge against the historical powder factor charges deductions. • We assessed and read the disclosures made by the Company in the consolidated financial statements.
Fair Valuation of Non-current Investments <i>(as described in note 2.2 (v) of the consolidated financial statements)</i>	
The Holding Company has classified certain investment amounting to ₹ 134.58 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs. Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	Our audit procedures included, amongst others the following: • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Holding Company has for review of fair valuation of investments; • We obtained and read the fair valuation reports provided by the management by involvement of external valuation experts; • We involved internal experts to assess the Holding Company's valuation methodology and assumptions, applied in determining the fair value; • We assessed the objectivity and competence of our internal expert and Holding Company's external specialists involved in the process; • We Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts; • We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts; • We assessed and read the disclosures made by the Holding Company in the consolidated financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements

or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified

under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint operation are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint operation are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint operation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint operation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint operation of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of ₹ 410.80 crore as at March 31, 2026, and total revenues of ₹ 220.56 crore and net cash inflows of ₹ 5.55 crore for the year ended on that date which have been audited by one of the joint auditors, whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such joint auditor.
- (b) We did not audit the financial statements and other financial information, in respect of 19 subsidiaries and a joint operation, whose financial statements include total assets of ₹ 5,935.52 crore as at March 31, 2026, and total revenues of ₹ 4,553.02 crore and net cash outflows of ₹ 33.32 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint operation, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint operation, is based solely on the reports of such other auditors.
- (c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 11 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,582.98 crore as at March 31, 2026, and total revenues of ₹ 25.69 crore and net cash inflows of ₹ 5.33 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 1.28 crore for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of 3 associates, 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 associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, as noted in the 'Other Matter' paragraph we give in the **"Annexure 1"** a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except for the matters stated in the paragraph (vi) below on reporting under Rule 11(g);
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 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, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint operation, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint operation in its consolidated financial statements – Refer Note 30 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 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, 2026.
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 42(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 42(vi) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 12B to the consolidated financial statements, the Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout

the year, for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes, if any, made using privileged/administrative access rights, as described in note 43 to the consolidated financial statements. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Holding Company and the above referred subsidiaries as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years as stated in Note 43 to the financial statements.

For Gandhi Rathi & Co.

Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner
Membership No.: 39895
UDIN: 26039895VOJYFB2030

Place: Nagpur

Date: May 15, 2026

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner
Membership No.: 110829
UDIN: 26110829GUHMYV9991

Place: Nagpur

Date: May 15, 2026

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SOLAR INDUSTRIES INDIA LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

As required by paragraph 3(xxi) of the CARO 2020, in Terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ associate/ joint operation	Clause number of the CARO report which is qualified or is adverse
1	Solar Industries India Limited	L74999MH1995PLC085878	Holding	3(i)(c)
2	Solar Industries India Limited	L74999MH1995PLC085878	Holding	3(iii)(c)
3	Solar Defence and Aerospace Limited (formerly known as "Economic Explosives Limited")	U24292MH1995PLC091808	Subsidiary	3(i)(c)

For Gandhi Rath & Co.

Chartered Accountants

ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner

Membership No.: 39895

UDIN: 26039895VOJYFB2030

Place: Nagpur

Date: May 15, 2026

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner

Membership No.: 110829

UDIN: 26110829GUHMYV9991

Place: Nagpur

Date: May 15, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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 financial statements of Solar Industries India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Gandhi Rathi & Co.

Chartered Accountants

ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner

Membership No.: 39895

UDIN: 26039895VOJYFB2030

Place: Nagpur

Date: May 15, 2026

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 7 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. number: 324982E/E300003

per Hemal Shah

Partner

Membership No.: 110829

UDIN: 26110829GUHMYV9991

Place: Nagpur

Date: May 15, 2026

Consolidated Balance Sheet

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3A	3,715.77	2,469.81
Capital work-in-progress	3A	691.84	703.38
Goodwill*	3B	170.52	147.32
Other Intangible assets	3C	58.72	69.49
Intangible assets under development	3C	38.89	3.60
Right-of-use assets	3D	61.22	42.15
Financial assets			
Investments	4	145.69	110.95
Investments accounted using equity method	4	37.00	36.35
Loans	5	35.37	32.55
Other financial assets	6	266.20	144.19
Deferred tax assets (net)	9	185.79	155.78
Current tax assets (net)		31.55	19.62
Other non-current assets	11	442.38	236.38
Total non-current assets *		5,881.04	4,171.57
Current assets			
Inventories	10	1,741.86	1,039.98
Financial assets			
Investments	4	-	528.97
Trade receivables	7	1,857.86	1,238.58
Cash and cash equivalents	8	469.44	590.43
Bank balances other than cash and cash equivalents	8	114.70	135.05
Loans	5	3.59	2.09
Other financial assets	6	137.55	168.48
Other current assets	11	712.46	418.95
Total current assets		5,037.46	4,122.53
Non-current assets classified as held for sale	3E	-	3.98
Total assets *		10,918.50	8,298.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity *	12A	6,259.10	4,395.12
Equity attributable to shareholders*		6,277.20	4,413.22
Non-controlling interests *		271.70	160.16
Total equity*		6,548.90	4,573.38
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	820.36	393.88
Lease Liabilities	3D	38.18	23.78
Deferred tax liabilities (net)	19	271.54	218.99
Other non-current liabilities	17	787.78	968.85
Provisions	18	2.85	5.32
Total Non-current liabilities		1,920.71	1,610.82
Current liabilities			
Financial liabilities			
Borrowings	14	647.48	545.71
Lease Liabilities	3D	18.00	11.58
Acceptances	15A	285.23	394.61
Trade payables	15B	631.74	492.52
Other financial liabilities	16	131.41	164.76
Current tax Liabilities (net)		21.55	53.00
Other current liabilities	17	673.67	427.84
Provisions	18	39.81	23.86
Total current liabilities		2,448.89	2,113.88
Total liabilities		4,369.60	3,724.70
Total equity and liabilities *		10,918.50	8,298.08
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the consolidated financial statements.

* Restated (Refer note 40)

As per our report of even date attached

For **Gandhi Rathi & Co.**

Chartered Accountants

ICAI Firm Registration

Number:103031W

per **C.N. Rathi**

Partner

Membership No.- 039895

Place: Nagpur**Date:** May 15, 2026For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration

Number: 324982E/E300003

per **Hemal Shah**

Partner

Membership No.- 110829

Place: Nagpur**Date:** May 15, 2026

For and on behalf of the Board of Directors of

Solar Industries India Limited**Manish Nuwal**

Managing Director & CEO

DIN: 00164388

Moneesh Agrawal

(Joint CFO)

Khushboo Pasari

Company Secretary

Membership No.- F7347

Place: Nagpur**Date:** May 15, 2026**Milind Deshmukh**

Executive Director

DIN: 09256690

Shalinee Mandhana

(Joint CFO)

Consolidated statements of Profit and Loss

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations	20	9,837.74	7,540.26
Other income	21	127.98	70.83
Total income		9,965.72	7,611.09
Expenses			
Cost of materials consumed	22A	4,503.02	3,447.06
Purchases of stock-in-trade		568.68	557.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	(177.98)	(25.51)
Employee benefit expense	23	844.98	600.07
Finance costs	25	133.97	116.50
Depreciation and amortization expense	26	250.87	181.50
Other expenses	24	1,477.23	1,000.84
Total expenses		7,600.77	5,877.90
Profit before Share of Profit / (Loss) of joint ventures and associates (net) and Tax		2,364.95	1,733.19
Share of Profit / (loss) of joint ventures and associates (net of tax)		0.27	5.55
Profit before tax		2,365.22	1,738.74
Tax expense			
Current tax		606.65	428.05
Adjustment of tax relating to earlier periods		5.08	(1.29)
Deferred tax		16.85	24.05
Total tax expense	19	628.58	450.81
Profit after tax for the year		1,736.64	1,287.93
Other comprehensive income/(loss)			
Items that will not be reclassified to Profit or Loss			
Remeasurement gain/(loss) on defined benefit plans		0.45	(1.64)
Income tax effect		(0.12)	0.38
Remeasurement gain/ (loss) on Investment in Equity instruments		34.18	(15.86)
Income tax effect		(5.70)	11.63
		28.81	(5.49)
Items that may be reclassified to Profit or Loss			
Net movement on Cash Flow Hedge Reserve		3.43	(5.67)
Income tax effect		(1.20)	0.33
Exchange difference on translation of foreign operations		275.97	(55.44)
Income tax effect		(6.01)	1.27
		272.19	(59.51)
Total other comprehensive income/(loss) for the year, net of tax		301.00	(65.00)
Total comprehensive income for the year		2,037.64	1,222.93
Net profit attributable to			
a) Owners of the company		1,677.55	1,209.44
b) Non-controlling interest		59.09	78.49
		1,736.64	1,287.93
Other comprehensive income attributable to			
a) Owners of the company		226.02	(55.92)
b) Non-controlling Interest		74.98	(9.08)
		301.00	(65.00)
Total comprehensive income attributable to			
a) Owners of the company		1,903.57	1,153.52
b) Non-controlling Interest		134.07	69.41
		2,037.64	1,222.93
Earnings per equity share (Face value ₹ 2 per share) (in rupees)			
Basic and Diluted earnings per share	27	185.39	133.65
Summary of material accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Gandhi Rathi & Co.**

Chartered Accountants

ICAI Firm Registration

Number:103031W

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration

Number: 324982E/E300003

per C.N. Rathi

Partner

Membership No.- 039895

per Hemal Shah

Partner

Membership No.- 110829

Place : Nagpur**Date :** May 15, 2026**Place :** Nagpur**Date :** May 15, 2026

For and on behalf of the Board of Directors of

Solar Industries India Limited**Manish Nuwal**

Managing Director & CEO

DIN: 00164388

Milind Deshmukh

Executive Director

DIN: 09256690

Moneesh Agrawal

(Joint CFO)

Shalinee Mandhana

(Joint CFO)

Khushboo Pasari

Company Secretary

Membership No.- F7347

Place : Nagpur**Date :** May 15, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities		
Profit before share of Profit/(Loss) of joint ventures and associates(net) and Tax	2,364.95	1,733.19
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	250.87	181.50
Net (gain) /loss on disposal of property, plant and equipment	(1.47)	1.05
Discard of property, plant and equipment (net)	-	(0.77)
Net (gain)/loss on financial assets measured at fair value through profit or loss	1.08	(1.23)
Loss relating to Company's subsidiaries operating in hyperinflationary economy	94.53	65.01
Profit on sale of financial assets carried at fair value through profit or loss	(20.36)	(7.95)
Dividend and interest income	(29.63)	(25.63)
Provision for /(reversal) of inventory	(0.69)	0.58
Impairment (gain)/loss on financial asset	20.78	(10.01)
Provision written back	-	(1.25)
Finance costs	133.97	116.50
Bad debts written off	2.12	5.72
Financial liabilities written back	-	(8.00)
Sundry balance written off	5.43	1.12
Impairment of Goodwill	0.60	-
Effect of exchange rate change	38.41	6.41
Operating profit before working capital changes	2,860.59	2056.24
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(633.73)	(317.13)
(Increase)/Decrease in inventories	(701.19)	(188.09)
Increase/(Decrease) in trade payables	21.24	299.32
(Increase) /Decrease in other assets	(359.19)	(147.19)
Increase /(Decrease) in other liabilities	95.60	1167.47
Cash generated from operations	1,283.32	2,870.62
Less : Income taxes paid	662.45	403.06
Net cash flows from operating activities	620.87	2467.56
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(1,739.12)	(1,005.95)
Proceeds from sale of property, plant and equipment	45.86	4.84
Loans (given) to/ repaid by others	(4.53)	(0.65)
Aquisition of Subsidiaries	-	(207.89)
Acquisition of additional shares in Subsidiaries	(37.08)	-
Proceeds from sale / (Purchase) of non-current investments	-	(8.88)
Proceeds from sale / (Purchase) of current investments	547.70	(275.13)
(Investment)/Redemption in fixed deposits greater than 3 months (net)	3.07	(106.77)
Dividend income received	-	0.02
Interest income received	20.27	7.20
Net cash flows used in investing activities	(1163.83)	(1593.21)
Cash flows from/(used in) financing activities		
Proceeds from non-current borrowings	796.10	116.34
Repayment of non-current borrowings	(368.66)	(357.31)
Proceeds from/ (Repayment) of current borrowings (net)	62.33	1.73
Lease Liabilities	(19.43)	(18.18)
Interest paid	(146.94)	(118.21)
Dividends paid to Non controlling interest	(23.44)	(23.81)
Dividend paid	(90.50)	(76.92)
Net cash flows from /(used in) financing activities	209.46	(476.36)
Exchange difference arising on conversion debited to foreign currency translation reserve	259.28	(55.44)
Net loss on account of Holding Company's subsidiaries operating in hyperinflationary economy	(46.77)	(26.46)
Net (decrease)/increase in cash and cash equivalents	(120.99)	316.09
Add:-Cash and cash equivalents at the beginning of the year	590.43	258.98
Add:-Cash and cash equivalents of subsidiary acquired	-	15.36
Cash and cash equivalents at the end of the year (Refer note 8)	469.44	590.43

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Change in liabilities arising from financing activities

	March 31, 2025	Cash flows	Other Adjustments	Foreign exchange impact	March 31, 2026
Current borrowings (excluding current maturities long term borrowing)	218.76	62.33	-	-	281.09
Non-current borrowings (including current maturities long term borrowing)	720.82	427.44	-	38.49	1,186.75
Lease Liabilities	35.36	(19.43)	40.25	-	56.18
Total liabilities from financing activities	974.94	470.34	40.25	38.49	1,524.02

	March 31, 2024	Cash flows	Other Adjustments	Foreign exchange impact	March 31, 2025
Current borrowings (excluding current maturities long term borrowing)	198.88	1.73	18.15	-	218.76
Non-current borrowings (including current maturities long term borrowing)	906.35	(240.97)	45.78	9.66	720.82
Lease Liabilities	32.87	(18.18)	20.67	-	35.36
Total liabilities from financing activities	1,138.10	(257.42)	84.60	9.66	974.94

Summary of material accounting policies (Refer note 2.2 and 2.3)

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

For and on behalf of the Board of Directors of
Solar Industries India Limited

per C.N. Rathi
Partner
Membership No.- 039895

per Hemal Shah
Partner
Membership No.- 110829

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Place : Nagpur
Date : May 15, 2026

Place : Nagpur
Date : May 15, 2026

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity Share Capital (Refer note 12)

Particulars	No of Shares	Amount
At April 01, 2024 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2025 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2026 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10

B. Other Equity

	Reserves and surplus					Other Comprehensive Income							
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Capital redemption reserve (Note 12A)	Remeasurement gain/(loss) on defined benefit plans (net of tax) (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Equity instrument (Note 12 A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest (Note 12 A)	Total
Balance as at April 01, 2024	149.13	2,392.53	16.54	1,052.24	-	1.60	3,612.04	5.99	79.86	(410.39)	3,287.50	121.65	3,409.15
Total profit for the year	-	1,209.44	-	-	-	-	1,209.44	-	-	-	1,209.44	78.49	1,287.93
Transfer from retained earnings	-	-	-	109.09	-	-	109.09	-	-	-	109.09	-	109.09
Transfer to General reserve	-	(109.09)	-	-	-	-	(109.09)	-	-	-	(109.09)	-	(109.09)
Other comprehensive income													
Remeasurement loss on defined benefit plans (net of tax)	-	-	-	-	-	(1.26)	(1.26)	-	-	-	(1.26)	-	(1.26)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	-	-	-	(5.34)	-	-	(5.34)	-	(5.34)
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	-	-	-	-	(45.09)	(45.09)	(9.08)	(54.17)
Remeasurement gain/(loss) on Investment in Equity instrument	-	-	-	-	-	-	-	-	(4.23)	-	(4.23)	-	(4.23)
Dividend paid	-	(76.92)	-	-	-	-	(76.92)	-	-	-	(76.92)	(19.71)	(96.63)
Movement in NCI due to change in ownership	-	(6.28)	-	-	-	-	(6.28)	-	-	-	(6.28)	6.28	-
Capital reserve on acquisition	-	-	0.36	-	-	-	0.36	-	-	-	0.36	-	0.36
Impact of business combination*	-	(1.61)	-	-	-	-	(1.61)	-	-	-	(1.61)	(17.47)	(19.08)
Net gain on account of Holding Company's subsidiaries operating in hyperinflationary economy	-	38.55	-	-	-	-	38.55	-	-	-	38.55	-	38.55
Balance as at March 31, 2025 *	149.13	3,446.62	16.90	1,161.33	-	0.34	4,774.32	0.65	75.63	(455.48)	4,395.12	160.16	4,555.28

* Restated (Refer note 40)

(All amounts in ₹ Crores, unless otherwise stated)

B. Other Equity (Contd..)

	Reserves and surplus						Other Comprehensive Income						
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Capital redemption reserve (Note 12A)	Remeasurement gain/(loss) on defined benefit plans (net of tax) (Note 12A)	Total	Cash flow hedge reserve (Note 12A)	Equity instrument (Note 12 A)	Foreign currency translation reserve (Note 12A)	Total	Non-controlling interest (Note 12 A)	Total
	149.13	3,446.62	16.90	1,161.33	-	0.34	4,774.32	0.65	75.63	(455.48)	4,395.12	160.16	4,555.28
	-	1,677.55	-	-	-	-	1,677.55	-	-	-	1,677.55	59.09	1,736.64
	-	-	-	100.00	8.01	-	108.01	-	-	-	108.01	-	108.01
	-	(100.00)	-	-	-	-	(100.00)	-	-	-	(100.00)	-	(100.00)
	-	(8.01)	-	-	-	-	(8.01)	-	-	-	(8.01)	-	(8.01)
Other comprehensive income													
	-	-	-	-	-	-	-	2.23	-	-	2.23	-	2.23
	-	-	-	-	-	0.33	0.33	-	-	-	0.33	-	0.33
	-	-	-	-	-	-	-	-	28.48	-	28.48	-	28.48
	-	-	-	-	-	-	-	-	-	194.98	194.98	74.98	269.96
	-	(90.49)	-	-	-	-	(90.49)	-	-	-	(90.49)	(24.74)	(115.23)
	-	(0.96)	-	-	-	-	(0.96)	-	-	-	(0.96)	0.96	-
	-	-	(0.35)	-	-	-	(0.35)	-	-	-	(0.35)	-	(0.35)
	-	4.45	-	-	-	-	4.45	-	-	-	4.45	1.25	5.70
	-	47.76	-	-	-	-	47.76	-	-	-	47.76	-	47.76
Balance as at March 31, 2026	149.13	4,976.92	16.55	1,261.33	8.01	0.67	6,412.61	2.88	104.11	(260.50)	6,259.10	271.70	6,530.80

Date: May 15, 2026

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Note 1: Corporate Information

Solar Industries India Limited (the 'Holding Company') is a Group domiciled in India, with its registered office at "Solar" House 14, Kachimet, Amravati Road, Nagpur - 440023 (Maharashtra). The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India (CIN No - L74999MH1995PLC085878). These consolidated financial statements comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in jointly controlled entity and associates. The Group is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Basis of preparation and material accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments, defined benefit plans, Certain financial assets and liabilities measured at fair value). The accounting policies are consistently applied by the Group to all the period as mentioned in the financial statements.

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended) from time to time as presentation requirement of division II of schedule III to the companies act 2013. The Consolidated financial statements are presented in INR and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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 over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- (d) The financial statements of Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi and Solar Madencilik Hizmetleri A.S.(Turkey), step-down subsidiaries, whose functional currency is the currency of a hyperinflationary economy are stated in terms of the measuring unit at the end of the reporting period in accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies.

Several factors are considered when evaluating whether an economy is hyperinflationary, including the cumulative three-year inflation and the degree to which the population's behaviours and government policies are consistent with such conditions.

The index used to apply hyperinflation accounting is the Consumer Price Index published by Turkish, Statistical Institute (TurkStat) which is an independent public institution.

- (e) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Details of group companies included in Consolidated Financial Statements are as under:

	Name	Country	% Equity Interest	
			March 31, 2026	March 31, 2025
I	Subsidiaries			
1	Indian subsidiaries			
A	Solar Defence and Aerospace Limited (Note iv)	India	100.00%	100.00%
B	Emul Tek Private Limited	India	100.00%	100.00%
C	Solar Defence Limited (Note i)	India	100.00%	100.00%
D	Solar Defence Systems Limited (Note - i)	India	100.00%	100.00%
E	Solar Avionics Limited (Note i)	India	100.00%	100.00%
F	Solar Explochem Limited	India	100.00%	100.00%
G	Solar Aerospace Ltd (Note i & Note iii)	India	100.00%	100.00%
2	Overseas subsidiary			
A	Solar Overseas Mauritius Limited	Mauritius	100.00%	100.00%
3	Overseas step-down subsidiaries			
A	Solar Mining Services Pty Limited, South Africa	South Africa	96.42%	96.42%
B	Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited)	Nigeria	55.00%	55.00%
C	Solar Overseas Netherlands B.V.	Netherlands	100.00%	100.00%
D	Solar Explochem Zambia Limited	Zambia	65.00%	65.00%
E	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey	100.00%	100.00%
F	P.T. Solar Mining Services	Indonesia	100.00%	100.00%
G	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note ii)	Turkey	53.00%	53.00%
H	Solar Nitro Ghana Limited	Ghana	90.00%	90.00%
I	Solar Madencilik Hizmetleri A.S	Turkey	100.00%	100.00%
J	Solar Overseas Netherlands Cooperative U.A	Netherlands	100.00%	100.00%
K	Solar Overseas Singapore Pte Ltd	Singapore	100.00%	100.00%
L	Solar Industries Africa Limited	Mauritius	100.00%	100.00%
M	Solar Nitro Zimbabwe (Private) Limited (Note i)	Zimbabwe	100.00%	100.00%
N	Solar Nitro chemicals Limited	Tanzania	65.00%	65.00%
O	Solar Mining Services Pty Ltd, Australia	Australia	100.00%	100.00%
P	Solar Mining Services Cote d'Ivoire Limited SARL (Note i)	Ivory Coast	100.00%	100.00%
Q	Solar Venture Company Limited	Tanzania	75.00%	75.00%
R	Solar Mining Services Burkina Faso SARL (Note i)	Burkina Faso	100.00%	100.00%
S	Solar Mining Services Albania	Albania	100.00%	100.00%
T	Solar Nitro SARL (Note i)	Ivory Coast	85.00%	85.00%
U	Solar Nitro Kazakhstan Limited	Kazakhstan	88.66%	88.33%
V	Solar Nitro (SL) Limited (Note i)	Sierra Leone	100.00%	100.00%
W	Power Blast LLP	Kazakhstan	88.66%	88.33%
X	Problast BS (Pty) Ltd (Note v)	South Africa	73.99%	64.93%
Y	Procapture (Pty) Ltd (Note v)	South Africa	100.00%	60.00%
Z	Maxigear (Pty) Ltd (Note v)	South Africa	100.00%	60.00%
AA	Frag Shared Services (Pty) Ltd (Note v)	South Africa	100.00%	60.00%
AB	Problast BBBEE Investment Co (Pty) Ltd (Note v)	South Africa	49.00%	43.00%
II	Associates			
A	Zmotion Autonomous Private Limited	India	45.99%	45.99%
B	Solar United Company Limited (Note-i)	Saudi Arabia	49.00%	49.00%
C	Ortiz Investment (Pty) Limited	South Africa	49.00%	49.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

	Name	Country	% Equity Interest	
			March 31, 2026	March 31, 2025
III	Entities with Joint control or significant influence over the entity			
A	Joint operation with P.T. Pindad	Indonesia	49.00%	49.00%
B	Joint operation with P V Explosives (Note vi)	Thailand	-	50.00%

- Note i: The entity has not commenced its business operations.
- Note ii: The entity is under liquidation.
- Note iii: The entity was incorporated on June 10, 2024.
- Note iv: The name of company has been changed with effect from February 17, 2025, formerly known as Economic Explosives Limited.
- Note v: The entities were acquired w.e.f. July 1, 2024.
- Note vi: Ceased to be joint operation since April 1, 2025

The subsidiaries of Solar Group are primarily engaged in the manufacturing, trading, import, export, and distribution of industrial explosives, bulk explosives, high-energy materials, packaged explosives, detonators, initiating system, blasting accessories and also provide blasting services, mining support, quarrying solutions, explosive-related services across multiple geographies. Additionally, some group entities function as investment holding companies (Mauritius, Singapore).

2.2 Summary of material accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for their intended use. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life.

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 life, 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 year during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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 life 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 life recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Any gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight-Line Method ('SLM') over the useful life of the assets estimated by the management. The management estimates the useful life for the Property, Plant and Equipment as follows:

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings and civil structures	3 to 60	60
Roads (RCC and WBM)	3 to 30	5 to 10

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 20
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Group's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	3 to 7
Transfer of Technology (ToT)/ Technical know-how	5 to 10
Product Development Cost	5
Customer Contracts	3 to 5

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful life and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets, Goodwill and Right-of-use assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including provision on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

comprehensive income for such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share

of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term and low value leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

- Office Building, Guest House & Residential Premises 2 to 10 years
- Leasehold Land 30 to 99 years
- Warehouse 2 to 5 years
- Vehicle 2 to 4 years
- Office Equipment 2 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Group lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial Recognition & Measurement

Financial assets are classified, at initial recognition in the following categories

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income

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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.

A.3 Fair value through OCI (FVTOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in unquoted debt instruments included under other non-current financial assets.

B. Equity instruments:

B.1 Fair value through OCI:

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or

loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained

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substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. Financial liabilities

Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortised cost

Measurement

A. Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is

measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts 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

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At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

4. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

1. Derivative instruments at fair value through OCI – Note 6
2. Trade receivables and contract assets – Note 7

j. Revenue Recognition

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

a. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 0-180 days from shipment or delivery as the case may be.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or rendering of services, the Group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

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- **Volume rebates and discounts**

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

- **Powder Factor**

The Group estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of powder factor achieved on current sales of products, which is reduced from the revenue for the period.

- **Other Deductions**

The Group accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site late delivery charges for not delivering goods as per agreed schedule etc. The aforesaid charges are deducted by the customer and are deducted from consideration from sale of product which is disclosed in reconciliation of contract price with revenue.

- 2. **Significant financing component**

In many cases, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or services will be one year or less.

The Group also receives advance payments from customers for the supply of goods with a lead time of more than one year after signing the contract. The Group has determined that these long-term advance from customers does not contain significant financing component as these advances are only to ensure that the contracting parties performs its obligations as specified under the contract.

Hence, there is no financing component which needs to be separated.

- b. **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.

- c. **Dividend:**

Dividend income is recognised when the Group's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of revenue recognition in note no. 2.2 (j) for initial recognition and financial assets in note no. 2.2 (i) (1) financial instruments subsequent measurement.

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Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies transactions and translations

The Group's consolidated financial statements are presented in INR, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net 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.

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The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

m. Inventories

(i) Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.

(iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(iv) Scrap: It is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Provision for Inventory

The Group maintains a policy for provisioning based on shelf life and other factors i.e. obsolescence or deterioration. For each category of inventory, the Group applies the policy to estimate the provision.

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the

eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Company 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 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.

Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date. Overseas subsidiaries do not operate any defined benefit plans for employees.

The cost of providing benefits under the gratuity plan is determined using the projected unit credit method.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The company recognises these items of re-measurements immediately in other comprehensive income and all the other expenses related to defined benefit plans in employee benefit expenses in profit and loss account.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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The Holding Company and its Indian subsidiaries treat accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

The Group presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. Tax Expense

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset

or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Value added taxes / GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of value added taxes / GST paid, except:

- 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
- 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.

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Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more

uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Acceptances

The Group has established supplier finance arrangements (Refer Note 15A). The Group evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Group classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Group derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Group (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Group finally settles the liability.

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In cases, where the Group has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Group has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Group presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Group to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow. Hence the Group has shown Acceptances as a separate line item under Financial Liabilities in the Financials.

v. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

w. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

x. Dividend

The Group recognises a liability to pay dividend to owners of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

y. 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.

z. Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying Group's disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management- Note 35
- Financial risk management objectives and policies- Note 34
- Sensitivity analysis disclosures- Notes 34

Useful Life 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 life are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Group estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the estimate of powder factor achieved on current sales, which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives and other incentives

The Group is eligible to claim benefits under Package Scheme of Incentives and other incentives, in the form of State Government GST / Sales tax subsidy /

reimbursement of provident fund. The eligibility of the benefits are subject to the Group confirming the terms and conditions mentioned in the eligibility certificate. The Group uses judgement to establish the recoverability and the timings of the receipts.

aa. Investments in associates

Investments in associates are recognized at cost, less impairment loss (if any) as per Ind AS 27 – Separate Financial Statements. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.3 Changes in accounting policies and disclosures

Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, the amendments to the standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt these amendments to the standards, when they become effective.

Standards notified but not yet effective

The new and amended standards that are notified by the MCA, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group will adopt these new and amended standards, when they become effective.

Amendments to Ind AS 1- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1st April, 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1st April 2026 retrospectively in accordance with Ind AS 8.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment

	Freehold Land (Refer note 5 below)	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year ended March 31, 2025							
Opening gross carrying amount as at April 01, 2024¹	371.09	936.50	31.44	970.69	96.61	44.39	2,450.72
Assets acquired of Subsidiary (refer note 40)	-	0.29	-	6.66	7.28	0.95	15.18
Exchange differences	0.08	21.13	(1.17)	22.33	(17.85)	(0.65)	23.87
Additions	65.24	167.96	5.33	380.47	34.47	20.46	673.93
Transfer	-	-	-	(9.03)	9.03	-	-
Disposals	-	(0.22)	(0.04)	(4.49)	(1.48)	(0.01)	(6.24)
Closing gross carrying amount as at March 31, 2025	436.41	1125.66	35.56	1366.63	128.06	65.14	3,157.46
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2024¹	-	137.47	11.91	318.23	41.49	22.48	531.58
Depreciation charge for the year	-	45.57	4.04	80.64	10.96	8.13	149.34
Transfer	-	-	-	(2.60)	2.59	0.01	-
Disposals*	-	-	(0.00)	(0.19)	(0.89)	(0.01)	(1.09)
Exchange differences	-	8.13	(1.92)	7.17	(4.95)	(0.61)	7.82
Closing accumulated depreciation as at March 31, 2025	-	191.17	14.03	403.25	49.20	30.00	687.65
Net carrying amount as at March 31, 2025	436.41	934.49	21.53	963.38	78.86	35.14	2469.81
Year ended March 31, 2026							
Opening gross carrying amount as at April 01, 2025	436.41	1,125.66	35.56	1,366.63	128.06	65.14	3,157.46
Exchange differences	1.13	41.79	1.06	24.32	7.19	0.80	76.29
Additions	81.48	489.43	9.11	734.60	61.81	38.54	1,414.97
Asset Written off	-	(1.82)	-	(4.23)	-	(0.01)	(6.06)
Disposals	(0.03)	(0.52)	(0.08)	(22.23)	(18.86)	(0.42)	(42.14)
Closing gross carrying amount as at March 31, 2026	518.99	1654.54	45.65	2099.09	178.20	104.05	4600.52
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2025	-	191.17	14.03	403.25	49.20	30.00	687.65
Depreciation charge for the year	-	59.35	4.43	117.34	14.97	12.59	208.68
Asset Written off	-	(0.53)	-	(2.19)	-	(0.01)	(2.73)
Disposals	-	(0.02)	(0.04)	(2.80)	(4.03)	(0.16)	(7.05)
Exchange differences	-	(0.99)	(0.17)	(0.68)	0.07	(0.03)	(1.80)
Closing accumulated depreciation as at March 31, 2026	-	248.98	18.25	514.92	60.21	42.39	884.75
Net carrying amount as at March 31, 2026	518.99	1405.56	27.40	1584.17	117.99	61.66	3,715.77

- 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.
- The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (refer note 13 and 14).
- The amount of borrowing costs capitalised during the year ended March 31, 2026 was ₹ 7.85 (March 31, 2025: ₹ 20.01). The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.22 % - 7.26%, which is the effective interest rate of the borrowing made specifically to acquire/ construct the qualifying assets (refer note 25).
- During the year, there was an accident in one of the plant of the Holding Company. The Holding Company has adequate insurance coverage for the assets on reinstatement basis (including loss of profit coverage). In the meantime, the Holding Company has made alternate arrangements to ensure continued production and supply of the products. The loss on such asset is ₹ 3.33 (net) (March 31, 2025 ₹ nil) in building, plant & machinery and office equipment & computer due to fire incident at plant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment (Contd..)

5. Land includes:

- ₹ 10.36 located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District - Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.
- ₹ 2.45 located in Shitalpur, Tehsil - Kaliyasol, District - Dhanbad, acquired in financial year 2024-25 and 2025-26 are held in the name of various owners. Applications have been made with Circle Officer (CO) Kaliyasol, Dhanbad Jharkhand to transfer the title in the name of Holding Company.
- ₹ 3.73 forest land located at village Sawanga, Tal. Nagpur, Maharashtra. Applications have been made to transfer the title in name of Subsidiary Company.
- ₹ 253.16 located at various location held in the erstwhile name of Subsidiary Company. Applications have been made to transfer the title in name of Subsidiary Company.
- ₹ 2.52 land purchased from various vendors and held in the name of previous owners Applications have been made to transfer the title in name of Subsidiary Company."

Note 3A: Capital Work in Progress

	Freehold Land	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipment and computers	Total
Year Ended March 31, 2025							
Gross carrying amount							
Opening gross carrying amount as at April 01, 2024	2.77	165.18	1.31	309.66	2.12	6.32	487.36
Additions	66.89	206.18	3.31	542.78	41.54	20.77	881.47
Exchange differences*	(0.27)	(1.55)	(0.00)	(3.18)	(0.59)	(0.48)	(6.07)
Capitalisation	(65.24)	(167.75)	(3.72)	(375.74)	(27.65)	(18.70)	(658.80)
Asset Written off/Impaired [#]	-	-	-	(0.58)	-	-	(0.58)
Closing gross carrying amount as at March 31, 2025	4.15	202.06	0.90	472.94	15.42	7.91	703.38
Year Ended March 31, 2026							
Gross carrying amount							
Opening gross carrying amount as at April 01, 2025	4.15	202.06	0.90	472.94	15.42	7.91	703.38
Additions (refer note 3E)	80.11	496.99	6.78	674.88	49.15	37.23	1,345.14
Exchange differences	0.61	12.73	0.03	37.70	4.46	0.49	56.02
Transfer	(3.30)	3.30	-	-	-	-	-
Capitalisation	(81.57)	(489.43)	(6.75)	(734.60)	(61.81)	(38.54)	(1,412.70)
Asset Written off/Impaired [#]	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2026	-	225.65	0.96	450.92	7.22	7.09	691.84

* The Group has write off/impairment for certain assets based on management assessment.

* Amount is less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3. A.1 : Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2026

(a) CWIP ageing schedule

	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	484.76	60.13	37.25	109.70	691.84
- Projects temporarily suspended	-	-	-	-	-
Total	484.76	60.13	37.25	109.70	691.84

(b) CWIP whose completion is overdue to its original plan

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project Overdue [#]	163.17	-	-	-	163.17

B. CWIP ageing as on March 31, 2025

(a) CWIP ageing schedule

	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	513.50	62.43	38.70	88.75	703.38
- Projects temporarily suspended	-	-	-	-	-
Total	513.50	62.43	38.70	88.75	703.38

(b) CWIP whose completion is overdue to its original plan

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project Overdue	-	-	-	-	-

* The same is pending for capitalisation as inspection and approval from regulatory authority is awaited.

Note 3B: Goodwill

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	147.32	29.81
Addition during the year on account of subsidiary acquired	-	80.50
Change in Goodwill on account of valuation (Refer note 40)	-	36.76
Impairment of Goodwill (refer note b)	(0.60)	-
Foreign currency exchange gain	23.80	0.25
Balance at the end of the year	170.52	147.32

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3B: Goodwill (Contd..)

Impairment test for goodwill

Goodwill acquired through Business Combination has been considered for impairment testing and below are the carrying amounts as on:

	As at March 31, 2026	As at March 31, 2025
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi ("SPMS")	6.21	5.60
Solar Mining Services Pty Ltd -Australia ("SMS AUS")	4.65	4.19
Solar Mining Services Pty Ltd South Africa- Pro Blast Group ("SMS SA")	139.95	117.26
Emul Tek Private Limited (ETPL)	19.71	19.71
Solar Venture Company Limited	-	0.56
Total	170.52	147.32

Notes:

- a. The recoverable value of Goodwill of above entities are more than their carrying value as per the impairment assessment carried out by management based on value-in-use calculation using cash flow projections from financial approved budgets.

Long-term growth rate for cash flows beyond three years have been considered in the range of 2% - 8%.

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

- Sales growth rate
- Discount rates

Sales growth rate: Sales growth rate has been considered at an average annual growth rate over the forecast period; based on past performance and management's expectation of market development.

Discount rates - Discount rates represent the current market assessment of the risks specific to ETPL, SPMS, SMS-Aus and SMS-SA taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in cash flow estimates. The discount rate calculation is based on specific circumstances of ETPL, SPMS, SMS-Aus and SMS SA are derived from its weighted average cost of capital (WACC) of each of the entities. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the entity's investors. The cost of debt is based on the interest bearing borrowings, the entity is obliged to service. Adjustments to discount rates are made to factor to specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

The Management has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of SPMS, SMS-Aus, SMS-SA CGUs and ETPL to materially exceed its recoverable amount.

- b. The Management has recognized impairment of ₹ 0.60 to fully write off the goodwill of Solar Venture Company Limited. The impairment follows a strategic assessment indicating that the entity is no longer expected to generate revenues or positive cash flows.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3C : Other Intangible Asset

	Software & License	Product Development Cost	Know How/TOT ²	Customer Contracts	Total
Year ended March 31, 2025					
Gross carrying amount					
Opening gross carrying amount as at April 01, 2024 ¹	16.82	30.42	43.82	-	91.06
Addition	6.72	-	1.26	-	7.98
Assets acquired of Subsidiary (refer note 40)	0.20	-	-	36.18	36.38
Deductions	-	-	-	-	-
Gross carrying amount as at March 31, 2025	23.74	30.42	45.08	36.18	135.42
Accumulated amortisation					
Opening accumulated amortisation as at April 01, 2024 ¹	7.95	17.79	23.72	-	49.46
Amortisation for the year	3.87	4.07	4.71	3.82	16.47
Deductions	-	-	-	-	-
Accumulated amortization as at March 31, 2025	11.82	21.86	28.43	3.82	65.93
Net carrying amount as at March 31, 2025	11.92	8.56	16.65	32.36	69.49
Year ended March 31, 2026					
Gross carrying amount					
Opening gross carrying amount as at April 01, 2025	23.74	30.42	45.08	36.18	135.42
Addition	5.26	-	-	-	5.26
Deductions	-	-	-	-	-
Exchange difference	0.04	-	-	7.00	7.04
Gross carrying amount as at March 31, 2026	29.04	30.42	45.08	43.18	147.72
Accumulated amortisation					
Opening accumulated amortisation as at April 01, 2025	11.82	21.86	28.43	3.82	65.93
Amortisation for the year	4.45	3.47	4.56	8.88	21.36
Deductions	-	-	-	-	-
Exchange difference*	0.01	-	-	1.70	1.71
Accumulated amortization as at March 31, 2026	16.28	25.33	32.99	14.40	89.00
Net carrying amount as at March 31, 2026	12.76	5.09	12.09	28.78	58.72

* Amount is less than ₹ 0.01

Note 3C: Intangible Assets under development

	Software & Licence	Product Development Cost	Know How/TOT ²	Total
Year ended March 31, 2025				
Gross carrying amount				
Opening carrying amount as at April 01, 2024	2.11	-	0.32	2.43
Additions	5.31	-	3.84	9.15
Capitalisation	(6.72)	-	(1.26)	(7.98)
Closing Carrying amount as at March 31, 2025	0.70	-	2.90	3.60
Year ended March 31, 2026				
Gross carrying amount				
Opening Carrying Amount as at April 01, 2025	0.70	-	2.90	3.60
Additions	10.73	28.42	1.48	40.63
Capitalisation	(5.24)	-	-	(5.24)
Closing Carrying amount as at March 31, 2026	6.19	28.42	4.38	38.99

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 The Company has entered into agreements with Defence Research and Development Organisation & other organisations for sharing knowledge of development of defence products. The Company amortises TOT cost over the period of agreement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

3CA. Intangible Asset Under Development (IAUD) Ageing Schedule

A. IAUD ageing as on March 31, 2026

(a) IAUD ageing schedule

	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	35.52	3.14	0.33	-	38.99
- Projects temporarily suspended	-	-	-	-	-
Total	35.52	3.14	0.33	-	38.99

B. IAUD ageing as on March 31, 2025

(a) IAUD ageing schedule

	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	3.26	0.34	-	-	3.60
- Projects temporarily suspended	-	-	-	-	-
Total	3.26	0.34	-	-	3.60

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2025-26 & financial year 2024-25.

Note 3D Leases

Group as Lessee

The Group has lease contracts for Office buildings, Residential Premises, Leasehold land, Warehouse, Office Equipment and Vehicles. Leases of office building and Residential Premises generally have lease terms between 2 and 10 years, leasehold land generally have lease terms between 30 and 99 years, warehouse generally have lease terms between 2 and 5 years, Office Equipment and vehicles generally have lease terms between 2 and 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Buildings and Guest Houses	Leasehold land	Warehouse	Residential premises	Vehicle	Office Equipment	Total
Year ended March 31, 2025							
As at April 01, 2024	8.30	18.43	5.68	0.03	4.74	-	37.17
Additions**	2.93	2.18	0.79	0.07	11.45	0.31	17.73
Foreign exchange adjustments*	0.17	0.91	1.03	0.05	1.04	0.00	3.21
Termination	(0.27)	-	-	-	-	-	(0.27)
Depreciation	(3.38)	(2.34)	(2.89)	(0.05)	(6.98)	(0.05)	(15.69)
As at March 31, 2025	7.75	19.18	4.61	0.10	10.25	0.26	42.15

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3D Leases (Contd..)

	Office Buildings and Guest Houses	Leasehold land	Warehouse	Residential premises	Vehicle	Office Equipment	Total
Year ended March 31, 2026							
As at April 01, 2025	7.75	19.18	4.61	0.10	10.25	0.26	42.15
Additions**	5.41	1.13	8.82	-	17.25	0.07	32.68
Transfer	-	0.04	-	-	-	-	0.04
Foreign exchange adjustments	0.28	3.26	1.48	(0.03)	2.70	0.04	7.73
Termination	-	-	(0.20)	-	-	-	(0.20)
Depreciation	(4.51)	(2.89)	(4.03)	(0.01)	(9.66)	(0.08)	(21.18)
As at March 31, 2026	8.93	20.72	10.68	0.06	20.54	0.29	61.22

* Amount is less than ₹ 0.01

**During the current year, the Group entered into non-cash activity regarding ROU assets additions of ₹ 32.68 (March 31, 2025 - ₹ 17.73).

B. Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	March 31, 2026	March 31, 2025
Opening balance	35.36	32.87
Additions	32.58	17.73
Accretion of interest	4.88	4.02
Termination	(0.20)	(0.27)
Foreign exchange adjustments	5.80	(1.67)
Payments	(22.24)	(17.32)
Closing balance	56.18	35.36
Current	18.00	11.58
Non-current	38.18	23.78

The maturity analysis of lease liabilities are disclosed in Note 34.

The incremental borrowing rate for lease liabilities is 5.61 % to 20.16 %, with maturity between 2026-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2026	March 31, 2025
Depreciation expense of right-of-use assets	21.18	15.69
Interest expense on lease liabilities	4.88	4.02
Expense relating to short-term and low values leases (included in other expenses)	28.69	12.01
Gain on termination of Lease *	-	0.00
Interest income on financial assets measured at amortised cost	(0.17)	(0.11)
Total amount recognised in profit or loss	54.58	31.61

The Group had total cash outflows for leases of ₹ 50.93 in March 31, 2026 (₹ 29.33 in March 31, 2025).

* Amount is less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 3E: Non Current Assets classified as held for sale

	March 31, 2026	March 31, 2025
Property, Plant and Equipment	-	3.98
	-	3.98

Solar Mining Services PTY Ltd-South Africa had bought controlling stake in Maxigear Pty Ltd on July 1, 2024. At the time of acquisition of Maxigear Pty Ltd, it had two drill rigs fair valued at ₹ 3.98 which were classified as held for sale. During the current financial year, Solar Mining Services Pty Ltd-South Africa re-evaluated its plan to sell the rigs due to change in business requirement, the asset no longer meets the criteria to be classified as held for sale under IND AS 105 "Non current assets held for sale and Discontinued Operations". Consequently, the assets have been reclassified to Capital Work in progress (CWIP) at its carrying amount.

Note 4 : Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investment carried at Fair Value through Profit or Loss					
Unquoted					
Investment in Equity instruments					
Ganga Care Hospital Limited (fully paid-up)	₹ 10	1,10,000	1,10,000	1.52	0.97
Bravo Business Agency SARL (fully paid-up)	USD 100	20	20	0.01	0.01
Quoted					
Investment in Mutual Fund					
ICICI Prudential Short Term Fund Direct Plan growth option		3,588.40	5,340.94	0.02	0.02
				1.55	1.00
Investment carried at Fair Value through Other Comprehensive Income					
Unquoted					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited (fully paid-up)	₹ 1	19,300	19,300	134.55	105.72
Equity Shares of Skyroot Aerospace Private Limited# (fully paid-up)	₹ 1	5	5	0.03	0.03
Augsense Lab Private Limited (fully paid-up)	₹ 100	4,500	4,500	8.36	3.00
Investment in Compulsory convertible debenture					
Augsense Lab Private Limited (fully paid-up)	₹ 1,20,00,000	1	1	1.20	1.20
				144.14	109.95
Aggregate amount of Investments				145.69	110.95
Aggregate amount of unquoted investments				145.67	110.93
Aggregate amount of quoted investments and market value thereof				0.02	0.02
Aggregate amount of impairment in value of investments				-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments (Contd..)

Investments accounted using equity method

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unquoted					
Investment in Equity Instruments of Associate:					
Solar United Co. Limited (fully paid-up)	Riyal 10	9,80,000	9,80,000	1.51	1.43
Ortiz Investments Pty Limited* (fully paid-up)	ZAR 1	490	490	0.00	0.00
Zmotion Autonomous System Private Limited (fully paid-up)	₹ 1	8,75,880	8,75,880	35.49	34.92
				37.00	36.35
Aggregate amount of unquoted investments				37.00	36.35
Aggregate amount of impairment in value of investments				-	-

* Amount is less than ₹ 0.01

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unquoted					
Investment carried at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Limited ^{##}	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Limited ^{##}	₹ 1	5,000	5,000	-	-
(^{##} Under liquidation)					
Quoted					
Investment carried at fair value through profit & loss					
Investment in Mutual Funds (fully paid-up) :					
Kotak Liquid Direct Growth	₹ 10	-	4,79,390	-	251.17
Kotak Overnight Direct Growth Fund	₹ 10	-	7,73,023	-	105.30
SBI Overnight Fund (Direct Growth)	₹ 10	-	4,15,334.88	-	172.50
Aggregate amount of quoted investments and market value thereof (refer note 33)				-	528.97
Aggregate amount of unquoted investments				-	-
Aggregate amount of quoted investments and market value thereof				-	528.97
Aggregate amount of impairment in value of investments				-	-

* Investment in Skyroot Aerospace Private Limited & Augsense Lab Private Limited has been classified as fair value through other comprehensive income as these are strategic investments for the Group and are not held for trading purpose. Accordingly fair value gain amounting to ₹ 34.18 has been accounted in other comprehensive income for the year ended March 31, 2026 (fair value loss amounting to ₹ 15.86 for the year ended March 31, 2025).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Loans

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Carried at amortised cost				
Loans to				
- Related parties (refer note 31C)	-	35.37	-	31.22
- Others	3.59	-	2.09	1.33
	3.59	35.37	2.09	32.55

Notes:

- Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by the changes in the credit risk of the counterparties.
- No Loans receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any Loans receivable are due from firms or private companies in which any director is a partner, a director or a member respectively.

Note 6 : Other financial assets

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 33)	9.80	-	4.90	-
	9.80	-	4.90	-
Derivative Instruments at fair value through OCI				
Fair valuation of derivative contracts (refer note 33)	3.74	-	-	-
Interest rate swaps (refer note 33)	0.23	-	3.03	-
	3.97	-	3.03	-
Others				
State government incentive receivables	101.60	231.52	142.98	129.79
Other receivables	13.48	-	8.72	-
Other deposits	1.18	-	0.59	0.03
Security deposits and Earnest Money deposits	1.24	17.30	3.32	14.37
Interest accrued from related party (refer note 31C)	5.98	-	2.78	-
Interest accrued but not due on fixed deposit	0.30	-	2.16	-
Fixed Deposit*	-	17.38	-	-
	123.78	266.20	160.55	144.19
	137.55	266.20	168.48	144.19

Note:

- Derivative instruments at fair value through profit or loss and other comprehensive income reflect the positive change in fair value of those foreign exchange option/forward contracts/interest rate swaps that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for trade receivable, trade payables, acceptances, foreign currency borrowing and interest rate risk.

* Balances with bank held as margin money or security against guarantee and other commitments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables

	March 31, 2026	March 31, 2025
Trade receivables	1,940.54	1,290.46
Less: Impairment allowance	(82.68)	(51.88)
	1,857.86	1,238.58

Break-up of security details

	March 31, 2026	March 31, 2025
Secured, considered good	-	-
Unsecured		
Considered good	1,904.10	1,255.28
Significant increase in credit risk	7.05	21.04
Credit impaired	29.39	14.14
	1,940.54	1,290.46
Impairment allowance		
Unsecured		
Considered good	(46.24)	(16.70)
Significant increase in credit Risk	(7.05)	(21.04)
Credit impaired	(29.39)	(14.14)
	(82.68)	(51.88)
	1,857.86	1,238.58

Trade receivable Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment - March 31, 2026					
		<6 months	6 months-1 Year	1-2 Years	2-3 Years	>3 years	Total
(i) Undisputed Trade receivables - considered good	1,194.25	575.53	79.28	30.13	19.15	5.76	1,904.10
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.43	0.86	1.09	3.43	1.24	7.05
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.16	3.34	6.41	19.48	29.39
Total	1,194.25	575.96	80.30	34.56	28.99	26.48	1,940.54

	Not Due	Outstanding for following periods from due date of payment - March 31, 2025					
		<6 months	6 months-1 Year	1-2 Years	2-3 Years	>3 years	Total
(i) Undisputed Trade receivables - considered good	755.40	424.64	28.02	27.93	12.90	6.39	1,255.28
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	12.15	-	2.89	0.66	5.34	21.04
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	12.95	0.25	0.94	14.14
Total	755.40	436.79	28.02	43.77	13.81	12.67	1,290.46

Notes:

1. No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member respectively.
2. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
3. There are no "unbilled" trade receivables.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables (Contd..)

Set out below is the movement in the allowance for expected credit loss of trade receivables :

	March 31, 2026	March 31, 2025
As at April 01	51.88	72.88
Provision/(reversal) for expected credit losses (net)	20.78	(18.23)
Addition due to acquisition (refer note 40)	-	3.28
Currency translation difference	10.02	(6.05)
As at March 31	82.68	51.88

Note 8. Cash and Bank balances

	March 31, 2026	March 31, 2025
Cash and cash equivalents		
Balances with banks		
in current accounts	272.83	331.27
Deposit with Bank	23.58	256.51
Funds in Transit (includes cheques in hand)*	171.49	2.08
Cash in hand	1.54	0.57
	469.44	590.43
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	10.96	2.60
Balances with Bank held as margin money against bank guarantee & other commitments	103.68	132.38
Earmarked balances with banks*	0.06	0.07
	114.70	135.05
Total cash and bank balances	584.14	725.48

*The Holding company can utilise this balance only towards settlement of unclaimed dividend.

*Amount remitted by customer, credited in Group's bank account subsequent to March 31, 2026.

Note 9: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2026	March 31, 2025
Allowance for doubtful debts - trade receivables	0.95	0.13
MAT credit	9.93	3.02
Property, plant and equipments and CWIP	(15.88)	0.15
Tax Losses	121.66	93.46
Right to use of assets and Lease liabilities	0.46	0.41
Employee benefit obligations	6.14	2.59
Financial Assets at fair value through OCI	(1.58)	-
Other *	64.11	56.02
	185.79	155.78

* Includes deferred tax on stock reserve

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 9: Deferred tax Assets (Contd..)

Reconciliation of deferred tax assets:

	March 31, 2026	March 31, 2025
Opening balance	155.78	160.16
Tax income/(expense) during the period recognised in statement of profit or loss	30.24	9.60
Tax (income)/expense during the period recognised in statement of other comprehensive income	(7.57)	1.46
Effect of foreign exchange gain/(loss)	17.12	(7.67)
On account of Hyperinflation Change in Previous year numbers of Deferred tax asset	(9.78)	(7.77)
Closing balance	185.79	155.78

Note 10: Inventories (At lower of cost and net realisable value)

	March 31, 2026	March 31, 2025
Raw materials and packing materials (Includes stock in transit of ₹ 176.07 (March 31, 2025 : ₹ 140.14))	1,230.22	763.84
Work-in-progress (Includes in transit of ₹ 6.44 (March 31, 2025 : ₹ 1.74))	136.85	72.88
Finished goods & scrap goods (Includes stock in transit of ₹ 27.88 (March 31, 2025 : ₹ 8.90))	118.07	20.77
Stock-in-trade (Includes stock in transit of ₹ 97.95 (March 31, 2025 : ₹ 35.08))	192.95	142.53
Stores and spares (Includes stock in transit of ₹ 0.93 (March 31, 2025 : ₹ 0.58))	63.77	39.96
	1,741.86	1,039.98

Note:

Value of inventories above is stated after provision of ₹ 10.40 (March 31, 2025 ₹ 7.05) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11: Other assets

	March 31, 2026		March 31, 2025	
	Current	Non-Current	Current	Non-Current
Capital advances	-	431.26	-	231.93
Prepayments	114.61	9.19	95.27	2.95
Advances to suppliers for goods & services	376.78	-	172.09	-
Advances to staff	3.03	-	2.26	-
Balances with revenue authorities	213.64	1.93	146.00	1.50
Other receivables	4.40	-	3.33	-
	712.46	442.38	418.95	236.38

Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
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, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

(a) Movement in equity share capital

	Number of Shares	Amount
As at March 31, 2024	9,04,90,055	18.10
As at March 31, 2025	9,04,90,055	18.10
As at March 31, 2026	9,04,90,055	18.10

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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 Holding Company

Name of the shareholder	% holding		No of shares	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Sohan Devi Nand Lal Nuwal Family Trust	29.23%	-	2,64,51,193	-
Shri Kailashchandra Nuwal	-	23.08%	-	2,08,82,963
Smt. Indira Devi Nuwal	-	6.15%	-	55,68,230

Note:

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

(e) Details of Shares held by promoters :-

As at March 31, 2026

Equity shares of ₹ 2 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	-
2	Shri Kailashchandra Nuwal [#]	2,08,82,963	(2,08,82,963)	-	-	(100%)
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt. Indira Kailashchandra Nuwal [#]	55,68,230	(55,68,230)	-	-	(100%)
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt. Leeladevi Satyanarayan Nuwal [*]	1,000	-	1,000	0.00%	-
8	Sohan Devi Nand Lal Nuwal Family Trust [#]	-	2,64,51,193	2,64,51,193	29.23%	-
	Total	6,61,91,271	-	6,61,91,271	73.15%	

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 12: Equity share capital (Contd..)

As at March 31, 2025

Equity shares of ₹ 2 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	-
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	-
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	-
4	Smt. Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	-
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	-
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	-
7	Smt. Leeladevi Satyanarayan Nuwal*	1,000	-	1,000	0.00%	-
Total		6,61,91,271	-	6,61,91,271	73.15%	

* Percentage is less than 0.01

Note :- The entire shareholding of Shri Kailashchandra Nuwal and Smt. Indira Kailashchandra Nuwal have been transferred to Sohan Devi Nand Lal Nuwal Family Trust during the financial year 2025-26.

Note 12A. Other equity

Securities premium ¹

As at April 01, 2024	149.13
Movement for the year 2024-25	-
As at March 31, 2025	149.13
Movement for the year 2025-26	-
As at March 31, 2026	149.13

Retained earnings ²

As at April 01, 2024	2,392.53
Add : Profit for the year	1,209.44
Less : Transfer to general reserve	(109.09)
Less : Movement in NCI due to change in ownership	(6.28)
Less : Impact of business combination	(1.61)
Add : Net gain on account of Holding Company's subsidiaries operating in hyperinflationary economy (Refer note 38)	38.55
Less : Final Dividend	(76.92)
As at March 31, 2025	3,446.62
Add : Profit for the year	1,677.55
Less : Transfer to general reserve	(100.00)
Less : Transfer to capital redemption reserve	(8.01)
Less : Movement in NCI due to change in ownership	(0.96)
Add : Net gain on account of Holding Company's subsidiaries operating in hyperinflationary economy (Refer note 38)	47.76
Add : Impact of business combination	4.45
Less : Final Dividend	(90.49)
As at March 31, 2026	4,976.92

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

Capital reserve ³

As at April 01, 2024	16.54
Movement for the year 2024-25	0.36
As at March 31, 2025	16.90
Movement for the year 2025-26	(0.35)
As at March 31, 2026	16.55

General reserve ⁴

As at April 01, 2024	1,052.24
Add : Transfer from retained earnings	109.09
As at March 31, 2025	1,161.33
Add : Transfer from retained earnings	100.00
As at March 31, 2026	1,261.33

Capital redemption reserve ⁵

As at April 01, 2024	-
Movement for the year 2024-25	-
As at March 31, 2025	-
Movement for the year 2025-26	8.01
As at March 31, 2026	8.01

Remeasurement gain/(loss) on defined benefit plans ⁶

As at April 01, 2024	1.60
Movement for the year 2024-25	(1.26)
As at March 31, 2025	0.34
Movement for the year 2025-26	0.33
As at March 31, 2026	0.67

Cash flow hedge reserve ⁷

As at April 01, 2024	5.99
Movement for the year 2024-25	(5.34)
As at March 31, 2025	0.65
Movement for the year 2025-26	2.23
As at March 31, 2026	2.88

Investment in Equity Instrument recognised at fair value through Other comprehensive income ⁸

As at March 31, 2024	79.86
Movement for the year 2024-25	(4.23)
As at March 31, 2025	75.63
Movement for the year 2025-26	28.48
As at March 31, 2026	104.11

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

Foreign currency translation reserve ⁹

As at April 01, 2024	(410.39)
Movement for the year 2024-25	(45.09)
As at March 31, 2025	(455.48)
Movement for the year 2025-26	194.98
As at March 31, 2026	(260.50)

Total other equity

As at April 01, 2024	3,287.50
Movement for the year 2024-25	1,107.62
As at March 31, 2025	4,395.12
Movement for the year 2025-26	1,863.98
As at March 31, 2026	6,259.10

Nature and purpose of reserves

1 Securities premium

Securities premium is used to record the premium on issue of securities. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2 Retained Earnings

Retained earnings are the profits that the Group has earned till date, less transfers to General Reserve, capital redemption reserve, impact of business combination and payment of dividend. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013 and other applicable legislation relevant to respective countries. The amount is available for distribution to the shareholders.

3 Capital reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. The Capital Reserve is not available for distribution to shareholders.

4 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the 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 Group 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. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013 and other applicable legislation relevant to respective countries.

5. Capital redemption reserve

The group has transferred an amount equivalent to the normal value of preference shares redeemed during the year from retained earnings to the capital redemption reserve in accordance with the provision of Companies Act 2013.

6. Remeasurement gain/(loss) on defined benefit plans (net of tax)

The Group recognizes actuarial gains/(losses) on defined benefit plans in the balance sheet with a corresponding credit or debit to the other comprehensive income in the period in which they occur.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

7 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with receivables, payables and 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 hedge reserve. Amounts recognised in the cash flow hedge 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).

8 Investment in Equity Instrument recognised at fair value through Other comprehensive income

The Group has classified certain non-current investments as fair value through other comprehensive income as they are strategic investments and are not held for trading purpose. The cumulative amounts are classified to retained earnings when the investments are disposed off.

9 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.

12B. Distribution made and proposed

	March 31, 2026	March 31, 2025
Cash dividends on equity shares paid:		
Final dividend for the year ended on March 31, 2025: ₹ 10.00 per share (March 31, 2024: ₹ 8.50 per share)	90.49	76.92
	90.49	76.92
Proposed dividends on Equity shares *		
Final dividend for the year ended on March 31, 2026: ₹ 11.00 per share (March 31, 2025: ₹ 10.00 per share)	99.54	90.49
	99.54	90.49

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Financial liabilities

Note 13. Non-current borrowings

	March 31, 2026	March 31, 2025
Secured Borrowings carried at amortised cost		
From banks		
Term loan	1,166.64	654.04
Unsecured Borrowings carried at amortised cost		
From Others		
Deferred Purchase Consideration	10.86	14.83
Non-convertible redeemable Preference Shares	-	13.30
Non-convertible Debentures (NCD)	11.69	38.43
Others	12.04	11.33
	1,201.23	731.93
Less:		
Current maturities of long-term debt (refer note 14)	(360.52)	(321.95)
Current maturities of Deferred Purchase Consideration (refer note 14)	(5.87)	(4.99)
Interest accrued but not due on non-current borrowings (refer note 16)	(14.48)	(11.11)
	820.36	393.88

Refer note 14A for details of security.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 14: Current borrowings

	March 31, 2026	March 31, 2025
Secured at amortised cost		
From banks		
Working capital loan*	105.72	218.77
Current maturities of long-term debt (refer note 13)	348.85	295.28
Interest accrued but not due	2.01	2.82
Unsecured at amortised cost		
From banks and others		
Working capital loan*	175.37	-
Current maturities of long term debt (NCD) (refer note 13)	11.67	26.67
Current maturities of Deferred Purchase Consideration (refer note 13)	5.87	4.99
	649.49	548.53
Less:		
Interest accrued but not due on current borrowings (refer note 16)	(2.01)	(2.82)
	647.48	545.71

*Loans taken by overseas subsidiaries are taken at interest rate of 6 months SOFR+1.4%, and certain loans are from 5.93% to 55% and loans taken by domestic subsidiaries are taken at interest rate of 8.70% linked to MCLR.

Security

The above non current loans from banks are secured by first pari passu charge on the group's property, plant and equipment, both present and future and second pari passu charge on the Group's current asset both present and future. Working capital loans have first Pari Passu charge on Group's current asset, both present and future and second Pari Passu charge on Group's entire property, plant and equipment, both present and future as per security document.

The loans taken by overseas subsidiaries are secured either by charge on their local assets or corporate guarantee of ultimate holding company.

Loan covenants

Bank loan contains certain debt covenants relating to debt equity ratio, net borrowing to EBITDA ratio, interest service coverage ratio, debt service coverage ratio (DSCR), gearing ratio, current ratio, total liabilities to total networth ratio and fixed asset coverage ratio. The Group has satisfied all debt covenants prescribed in the terms of bank loans and NCD.

The other loans other than NCD do not carry any debt covenants. The Group has not defaulted on any loans payable.

The Group has not used borrowings taken from banks and financial institutions for the purpose other than for which it was taken.

Note 14A. Maturity profile of Non current Borrowings (including Current maturities)

	Maturity date	Terms of repayment	March 31, 2026	March 31, 2025
Secured				
Indian rupee Term Loan from Bank (Note i)	September 27, 2026	Repayable in sixteen quarterly instalment starting after moratorium period of 12 months	25.00	75.00
Indian rupee Term Loan from Bank (Note ii)	August 31, 2025	Repayable in twenty quarterly instalment (repaid during the year)	-	4.71
Indian rupee Term Loan from Bank (Note iii)	October 1, 2028	Repayable in twenty quarterly instalment	55.00	75.00
Indian rupee Term Loan from Bank (Note iv)	July 28, 2030	Repayable in sixteen quarterly instalment after moratorium of six months	50.00	-
Indian rupee Term Loan from Bank (Note v)	August 31, 2030	Repayable in 16 quarterly installment starting after moratorium period of 6 months	110.00	-
Indian rupee term loan from Bank (Note vi)	May 31, 2026	Repayable in 48 equal monthly instalment after 1 year moratorium	1.04	7.29

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 14A. Maturity profile of Non current Borrowings (including Current maturities) (Contd..)

	Maturity date	Terms of repayment	March 31, 2026	March 31, 2025
Indian rupee term loan from Bank (Note vii)	September 6, 2026	Repayable in twelve equal quarterly instalment after 1 year moratorium	16.67	50.00
Indian rupee term loan from Bank (Note viii)	November 30, 2028	Repayable in sixteen equal quarterly installment after 1 year moratorium	68.75	93.75
Indian rupee term loan from Bank (Note ix)	October 16, 2030	Repayable in eighteen equal quarterly installment after period of 6 months moratorium	380.00	-
Indian rupee term loan from Bank (Note x)	December 30, 2030	Repayable in sixteen equal quarterly installment after period of 11 months moratorium	75.00	-
Local currency loan from Bank (USD) (Note xi)	November 21, 2026	3 Annual instalments (tranche wise) commencing from June 2024	48.45	85.47
Local currency loan from Bank (USD) (Note xii)	March 15, 2026	10 six monthly instalments commencing from September 15, 2021 (repaid during the year)	-	59.83
USD equivalent Local currency loan from Bank (AUD) (Note xiii)	June 30, 2026	Quarterly repayment after 1 year of loan disbursement	2.43	13.59
Local currency loan (USD) from Bank (Note xiv)	June 5, 2028	20 quarterly instalments commencing from September 5, 2023	64.00	83.33
Local currency loan from Bank (USD) (Note xv)	September 9, 2028	12 quarterly installments commencing from December 9, 2025	118.53	98.29
Local currency loan from Bank (USD) (Note xvi)	March 6, 2029	3 Annual installments (tranche wise) commencing after 1 year of loan disbursement	141.22	-
Unsecured				
Non Convertible Debentures (Note xvii)	December 23, 2025	Repayable in twelve quarterly instalments (subject to put call option exercisable after 2 years of allotment by debenture holders and Holding Company respectively) (repaid during the year)	-	15.00
Non Convertible Debentures (Note xviii)	March 22, 2027	Repayable in twelve quarterly instalments.	11.67	23.33
Deferred purchase consideration (Note xix)	November ,2027	39 quarterly payments commencing from April 2018	10.76	14.69
Redeemable Preference Shares of ZAR 10 each (Note xx)	January 2029	On written instructions of shareholders or January 1, 2029, whichever is earlier (repaid during the year)	-	5.30
12% non convertible redeemable Preference Shares	on demand	On demand	-	8.01
Others (Note xxi)	Mutual consent	Mutual consent	8.23	8.23
			1,186.75	720.82
Interest accrued but not due			14.48	11.11
			1,201.23	731.93

Note i. The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

Note ii. The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

Note iii. The Indian rupee long term loan from bank is linked to 3 month T Bill with spread of 145 bps.

Note iv. The Indian rupee long term loan from bank is linked to Repo rate with a spread of 225 bps.

Note v. The Indian rupee long term loan from bank carries an interest rate linked to repo with spread of 240 bps to be reset monthly.

Note vi. The Indian rupee long term loan from Bank carries interest linked to repo + 150 bps.

Note vii. The Indian rupee long term loan from Bank carries interest linked to 3 month Tbill +161 bps.

Notes to Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Note viii. The Indian rupee long term loan from Bank carries interest linked to 3 month Tbill +127 bps.

Note ix. The Indian rupee long term loan from Bank carries interest linked to Repo + 200 to be reset monthly

Note x. The Indian rupee long term loan from Bank carries interest linked to 91 day Tbill +216 bps

Note xi. The above local currency loan carry interest linked to 6 months SOFR + 250 b.p.s. pa

Note xii. The above local currency loan carry interest linked to overnight SOFR + 250 b.p.s. pa

Note xiii. The above local currency loan carry interest of 7 % p.a.

Note xiv. The above local currency loan carry interest linked to overnight SOFR + 262 b.p.s. pa

Note xv. The above local currency loan carry interest linked to 3 months SOFR + 175 b.p.s. pa

Note xvi. The above local currency loan carry interest linked to 3 months SOFR + 135 b.p.s. pa

Note xvii. Non- Convertible Debentures have been issued at fixed rate of 8.20% p.a.

Note xviii. Non- Convertible Debentures is linked to Repo rate with a spread of 181 bps.

Note xix. The above Deferred purchase consideration carry interest rate of 5.93% pa

Note xx. The above Redeemable Preference Shares carry interest of 80% of South africa PLR or 6% whichever is higher

Note xxi. The above Indian rupee loan carry interest of 11 % p.a.

Note 15A : Acceptances

	March 31, 2026	March 31, 2025
Acceptances ¹	285.23	394.61
	285.23	394.61

Notes :-

¹Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 60 to 180 days

Note 15B : Trade payables

	March 31, 2026	March 31, 2025
Current		
Trade Payables other than related parties *	631.53	474.42
Trade payables to related parties (refer note 31C)	0.21	18.10
	631.74	492.52

Trade Payables Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment for March 31, 2026				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	390.10	240.50	0.66	0.08	0.40	631.74

Particulars	Not Due	Outstanding for following periods from due date of payment for March 31, 2025				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Undisputed dues	311.23	179.45	1.39	0.32	0.13	492.52

Notes:

- *Trade payables are non-interest bearing and are normally settled within 0 to 60 days term.
- For terms and conditions with related parties, refer note 31D
- For explanation on the Group's credit risk management processes, refer note 34
- There are "unbilled" trade payables, hence the same are disclosed under "Not due category" in the ageing schedule.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 16 : Other current financial liabilities

	March 31, 2026	March 31, 2025
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts (refer note 33)	-	5.31
	-	5.31
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 13)	14.48	11.11
Interest accrued on current borrowings (refer note 14)	2.01	2.82
	16.49	13.93
Others		
Capital creditors	26.00	39.46
Employee related payables (including labour related)	76.19	63.68
Deferred purchases consideration	-	35.32
Liability towards trade discounts	5.54	5.99
Unclaimed and unpaid dividend	1.62	0.33
Other payables	5.57	0.74
	114.92	145.52
	131.41	164.76

Note :- Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange option/ forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing and trade payables, receivables and acceptances.

Note 17: Other liabilities

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Statutory dues payables	93.74	-	64.18	-
Contract liabilities	571.69	787.78	361.24	968.85
Other current liabilities	8.24	-	2.42	-
	673.67	787.78	427.84	968.85

Note 18 : Provisions

	March 31, 2026		March 31, 2025	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity (refer note 28)	11.84	1.13	6.10	4.98
Provision for leave encashment	27.97	1.72	17.76	0.34
	39.81	2.85	23.86	5.32

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2026 and March 31, 2025 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2026	March 31, 2025
Current income tax:		
Current income tax charge	606.65	428.05
Adjustment of tax relating to earlier periods	5.08	(1.29)
Deferred tax:		
Relating to origination and reversal of temporary differences	16.85	24.05
Tax expense reported in the statement of profit and loss	628.58	450.81

OCI section

Deferred tax related to items recognised in OCI during the year:

	March 31, 2026	March 31, 2025
Net gain/(loss) on cash flow hedges	1.20	(0.33)
Net gain/(loss) on remeasurements of defined benefit plans	0.12	(0.38)
Remeasurement gain/ (loss) on Investment in Equity instruments	5.70	(11.63)
Exchange difference on translation of foreign operations	6.01	(1.27)
Income tax charged to OCI	13.03	(13.61)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

	March 31, 2026	March 31, 2025
Accounting profit before tax	2,364.95	1,733.19
Computed expected tax expense @ standard tax rate in India	595.67	435.45
Effect of:		
Expenses not allowed for Income tax purpose	8.12	8.42
Income tax for earlier years	5.08	(1.29)
Tax loss on which deferred tax not recognised	1.39	2.61
Relating to Change in tax rate of different jurisdictions	4.32	1.60
Others	14.00	4.02
Total income tax expense	628.58	450.81

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

	March 31, 2026	March 31, 2025
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	268.81	228.55
Financial assets at fair value through OCI	16.75	12.62
Leases	0.91	0.85
Derivative Instruments at fair value through profit or loss	2.32	(1.05)
Other	4.47	(7.18)
	293.26	233.79

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 19 : Tax Expenses (Contd..)

	March 31, 2026	March 31, 2025
Deferred tax Assets		
Provision towards trade receivables	(6.05)	(3.78)
Provision for advances w/off	(1.74)	(0.87)
Financial assets at fair value through profit or loss	(0.16)	0.52
Provision for write down to net realizable value of inventory	(2.02)	(1.53)
Provision for discounting of Non current Asset	(6.36)	(3.89)
Provision on Custom Duty and Statutory Dues	(1.67)	(1.59)
Employee Benefits	(3.72)	(3.66)
	(21.72)	(14.80)
Net deferred tax (assets)/liabilities	271.54	218.99

Reconciliation of deferred tax liability:

	March 31, 2026	March 31, 2025
Opening balance	218.99	197.78
Tax (income)/expense during the period recognised in statement of profit or loss	47.09	33.65
Tax (income)/expense during the period recognised in statement of other comprehensive income	5.46	(12.44)
Closing balance	271.54	218.99

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 20 : Revenue from operations

	March 31, 2026	March 31, 2025
Sale of products and services (refer note 37)	9,611.87	7,360.06
Other operating revenue :		
Income under state government incentive scheme (net of discounting)**	140.19	111.85
Scrap Sales	24.69	24.49
Sale of Stores, Spare and Consumables	11.14	8.35
Others*	49.85	35.51
	9,837.74	7,540.26

The Group collects GST on behalf of the Government, hence GST is not included in revenue from operations.

**Includes accrual of income under state government incentive scheme (gross of discounting) of ₹ 158.64 (previous year ₹ 123.56).

*Includes duty drawback and other ancillary income.

Note 21 : Other income

	March 31, 2026	March 31, 2025
Interest income		
On financial assets carried at amortised cost		
from related parties (refer note 31B)	2.70	2.42
from others	8.40	14.39
on deposits with bank	17.41	8.80
Income tax refund*	1.12	0.00
Dividend income	-	0.02
Profit on sale of investments carried at fair value through profit or loss	20.36	7.95
Net gain on financial assets mandatorily measured at fair value through profit or loss	-	1.23
Net gain on disposal of property, plant and equipment	1.47	0.04

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 21 : Other income (Contd..)

	March 31, 2026	March 31, 2025
Insurance claim received	0.65	0.77
Financial liabilities written back	-	8.00
Net gain on foreign currency transaction and translation	67.65	16.65
Miscellaneous income	8.22	10.56
	127.98	70.83

* Amount is less than ₹ 0.01

Note 22A : Cost of materials consumed

	March 31, 2026	March 31, 2025
Raw materials and packing materials at the beginning of the year	763.84	607.14
Add: Purchases during the year	4,969.40	3,603.76
Less: Raw materials and packing materials at the end of the year	(1,230.22)	(763.84)
	4,503.02	3,447.06

Note 22B : Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2026	March 31, 2025
Opening balance		
Work-in progress	72.88	76.60
Finished goods & Scrap goods	20.77	15.99
Stock in trade	142.53	107.51
Stock of Subsidiary acquired and consumed during the year	(4.58)	-
Effect of foreign exchange	(22.38)	(16.39)
	209.22	183.71
Closing balance		
Work-in progress	136.85	72.88
Finished goods & Scrap goods	118.07	20.77
Stock in trade	192.95	142.53
Stock of Subsidiary acquired and consumed during the year	-	(4.58)
Effect of foreign exchange	(60.67)	(22.38)
	387.20	209.22
(Increase)/ Decrease in Inventory		
Work-in progress	(63.97)	3.72
Finished goods & Scrap goods	(97.30)	(4.78)
Stock-in-trade	(50.42)	(35.02)
Stock of Subsidiary acquired and consumed during the year	(4.58)	4.58
Effect of foreign exchange	38.29	5.99
	(177.98)	(25.51)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 23 : Employee benefit expense

	March 31, 2026	March 31, 2025
Salaries and wages (including bonus)	500.93	357.80
Remuneration to directors	79.34	53.05
Contribution to provident and other funds (Refer note 28)	39.73	21.94
Staff welfare expense	24.88	17.03
Total - A	644.88	449.82
Labour charges (including bonus)	200.10	150.25
Total - B	200.10	150.25
Total expense (A+B)	844.98	600.07

Note 24 : Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	66.59	45.28
Repairs and maintenance :		
Plant and machinery	63.61	37.43
Buildings	18.59	8.56
Others	21.96	15.38
Water and electricity charges	122.51	81.90
Rates and taxes	22.23	18.15
Legal and professional fees	40.92	34.57
Travelling and conveyance	49.71	30.91
Sales commission expenses	56.86	46.81
Freight and forwarding charges	509.68	315.41
Transportation charges	48.52	47.52
Pump truck expenses	30.29	29.49
Security service charges	24.77	19.96
Sales promotion expenses	54.03	59.06
Donations	11.43	18.54
Insurance charges	33.51	21.31
Advertisement expenses	9.69	3.39
Directors' sitting fees	0.77	0.79
Net loss on financial assets mandatorily measured at fair value through profit or loss	1.08	-
Advance/loan/ Investment written off	1.56	9.29
Bad debts written-off	2.12	5.72
Impairment loss/(gain) on financial assets	20.78	(18.23)
Corporate social responsibility expenditure	21.94	16.53
Loss relating to Company's subsidiaries operating in hyperinflationary economy (refer note 38)	94.53	65.01
Payment to Auditors	7.22	5.15
Information Technology expenses	26.36	14.61
Provision for advance given	3.87	-
Sundry balance written off	-	0.20
Property, plant and equipment discarded	-	1.09
Rent Expenses	23.69	12.01
Factory Expenses	21.56	13.99
Miscellaneous expenses (mainly includes bank charges, communication, office expenses etc.)	61.85	41.01
	1,477.23	1,000.84

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Notes 25 : Finance costs

	March 31, 2026	March 31, 2025
Interest *		
To banks [#]	122.84	111.73
To others	6.25	0.75
Interest on lease liabilities	4.88	4.02
	133.97	116.50

*Net of borrowing cost capitalised (refer note 3A)

[#] Includes related hedge cost

Note 26 : Depreciation and amortization expense

	March 31, 2026	March 31, 2025
Depreciation of property, plant & equipments (refer note 3A)	208.68	149.34
Depreciation - Right-of-use Asset (refer note 3D)	21.18	15.69
Amortization of intangible assets (refer note 3C)	21.36	16.47
Less : Transferred to product development cost	(0.35)	-
	250.87	181.50

Note 27: Earnings per share (EPS)

	March 31, 2026	March 31, 2025
Basic and diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS	1,677.55	1,209.44
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 (in ₹)	185.39	133.65
Nominal value of share (in ₹)	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 operate defined benefit gratuity plans namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Holding Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme. Further one of the subsidiary in the group makes contribution to Solar Defence Aerospace Limited (formerly known as Economic Explosives Limited) employee group gratuity assurance scheme.

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognised in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

Expense recognized in statement of Profit and Loss

	March 31, 2026	March 31, 2025
Net Service cost	12.68	5.93
Net interest cost	0.37	0.17
	13.05	6.10

Other Comprehensive Income

	March 31, 2026	March 31, 2025
Actuarial gain / (loss) on liabilities	0.42	(1.62)
Actuarial gain / (loss) on assets	0.03	(0.02)
Closing balance recognized in OCI	0.45	(1.64)

The amount recognized in Balance Sheet

	March 31, 2026	March 31, 2025
Present value of funded obligations	53.20	40.10
Fair value of plan assets	40.23	29.02
Net defined benefit liability / (assets) recognized in balance sheet	12.97	11.08

Change in Present Value of Obligations

	March 31, 2026	March 31, 2025
Opening of defined benefit obligations	40.10	31.72
Service cost	12.68	5.93
Interest Cost	2.30	2.05
Benefit Paid	(1.46)	(1.22)
Actuarial (Gain)/Loss on total liabilities	(0.42)	1.62
Closing of defined benefit obligation	53.20	40.10

Change in Fair Value of Plan Assets

	March 31, 2026	March 31, 2025
Opening fair value of plan assets	29.02	26.09
Actual Return on Plan Assets	1.93	2.37
Employer Contribution	10.74	1.78
Benefit Paid	(1.46)	(1.22)
Closing fair value of plan assets	40.23	29.02

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2026	March 31, 2025
Investments with insurer (LIC)	90%	84%
Investments with insurer (ICICI)	10%	16%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations (Contd..)

The significant actuarial assumptions were as follows :

	March 31, 2026	March 31, 2025
Discount Rate	6.80% to 7.16% p.a	6.54% to 6.71% p.a
Rate of increase in Compensation levels	8.00% p.a	8.00% p.a
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
Rate of Return on Plan Assets	6.54 % to 6.71% p.a	7.13% to 7.19% 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.

Actuarial assumptions

The expected contribution for defined benefit plan for the next financial year will be in line with financial year 2025-26.

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2026	Impact (Absolute)	Impact (%)
Base Liability	53.20		
Increase Discount Rate by 0.50%	53.47	0.27	0.5%
Decrease Discount Rate by 0.50%	52.94	(0.26)	(0.5%)
Increase Salary Inflation by 1.00%	53.74	0.54	1%
Decrease Salary Inflation by 1.00%	52.67	(0.53)	(1%)
Increase in Withdrawal Assumption by 5.00%	55.86	2.66	5%
Decrease in Withdrawal Assumption by 5.00%	50.54	(2.66)	(5%)

Notes :

- Liabilities are very sensitive to discount rate, salary inflation and attrition rate.
- Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Note 29 : Capital Commitments

	March 31, 2026	March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances)	579.44	430.89

Lease Commitments

The group has taken certain assets on lease for a term generally ranging for a period of 1 year to 10 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2026	March 31, 2025
Lease payments recognised during the year	22.24	17.32
Within one year	18.42	12.00
Later than one year but not later than five years	27.56	14.07
More than five years	11.10	10.22

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for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 30 : Contingent liabilities

	March 31, 2026	March 31, 2025
Claims against the Group not acknowledged as debts (refer note a)		
Excise & Custom related matters	2.41	1.25
GST related matters	3.04	8.22
Sales tax / VAT related matters	8.44	8.44
Income tax related matters	0.68	-
Others	0.70	0.70

Note a:

The Group is contesting the demands. The management, based on opinion of tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the Consolidated 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 31 : Related Party Disclosures

A Names of related parties and related party relationship :

Sr. No.	Name of related party	Relation
I	Associates	
1	Zmotion Automonus Systems Private Limited	
2	Solar United Company Limited (Formerly known as Solar AGC Limited Liability) (Note-i)	
3	Ortiz Investments Pty Limited (Note-i)	
II	Director	
	Shri Satyanarayan Nuwal	Chairman
III	Key Management Personnel (KMP) (Holding Company)	
1	Shri Manish Nuwal	Managing Director and CEO
2	Shri Suresh Menon	Executive Director
3	Shri Milind Deshmukh	Executive Director
4	Shri Moneesh Agrawal	Joint Chief Financial Officer
5	Smt. Shaline Mandhana	Joint Chief Financial Officer
6	Smt. Khushboo Pasari	Company Secretary and Compliance Officer
IV	Relatives of KMP	
1	Shri Kailashchandra Nuwal	Brother of Chairman
2	Smt. Leeladevi Nuwal	Wife of Chairman
3	Smt. Seemadevi Nuwal	Wife of Managing Director
4	Shri Raghav Nuwal	Son of Managing Director
V	Non Executive Independent Directors¹	
1	Smt. Girija Balakrishnan (appointed w.e.f. September 18, 2025)	Non Executive, Independent Director
2	Shri Vishwanthan Lakshmanan (appointed w.e.f. October 18, 2025)	Non Executive, Independent Director
3	Shri Ramesh Bhujang (appointed w.e.f. December 3, 2025)	Non Executive, Independent Director
4	Shri Natrajan Ramajirishnan (up to October 16, 2025)	Non Executive, Independent Director
5	Shri Jagdish Belwal (up to December 4, 2025)	Non Executive, Independent Director
6	Smt. Rashmi Prasad (up to September 19, 2025)	Non Executive, Independent Director
7	Shri Dinesh Kumar Batra (up to March 31, 2026)	Non Executive, Independent Director

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(All amounts in ₹ Crores, unless otherwise stated)

Note 31 : Related Party Disclosures (Contd..)

Sr. No.	Name of related party	Relation
VI	Having control/ significant Influence by KMP or Relatives of KMP	
1	Solar Synthetics Private Limited	Entity in which KMP/Relative has significant influence
VII	Post-employment benefit plan²	
1	Solar Industries India Limited employee group gratuity assurance scheme	Trust (Post-employment benefit plan)
2	Solar Defence and Aerospace Limited (formerly known as Economic Explosives Limited)employee group gratuity assurance scheme	Trust (Post-employment benefit plan)

Note i: The entity has not commenced its business operation

¹Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2025-26. The Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

²Refer to Note 28 for information on transactions with post employment benefit plans mentioned above

B. The following table provides total amount of related party transactions during the relevant financial year

S.No	Nature of Transaction	March 31, 2026	March 31, 2025
(i)	Sales of products		
	Associate :		
	ZMotion Autonomous Systems Private Limited	-	0.14
	Total	-	0.14
(ii)	Purchase of raw material and components		
	Associate :		
	ZMotion Autonomous Systems Private Limited	32.53	128.82
	Total	32.53	128.82
(iii)	Services received from related parties		
	Associate :		
	ZMotion Autonomous Systems Private Limited (Technical services)	4.32	-
	Entity in which KMP has significant influence :		
	Solar Synthetics Private Limited (Rental)	0.04	0.04
	Total	4.36	0.04
(iv)	Interest Income		
	Associate :		
	Ortiz Investments Pty Limited	2.70	2.42
	Total	2.70	2.42
(v)	Loan Given		
	Associate :		
	Ortiz Investments Pty Limited	0.88	0.42
	Total	0.88	0.42
(vi)	Advance given		
	Associate :		
	ZMotion Autonomous Systems Private Limited	63.20	3.58
	Total	63.20	3.58
(vii)	Remuneration to relative of KMP		
	Shri Raghav Nuwal	0.20	0.17
	Total	0.20	0.17

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31 : Related Party Disclosures (Contd..)

S.No	Nature of Transaction	March 31, 2026	March 31, 2025
(viii)	Remuneration to Chairman*		
	Shri Satyanarayan Nuwal	24.50	18.00
	Remuneration to KMP *		
	Shri Manish Nuwal	50.50	30.00
	Shri Suresh Menon	2.62	2.83
	Shri Milind Deshmukh	2.07	2.33
	Shri Moneesh Agrawal	0.62	0.56
	Smt. Shalinee Mandhana	0.61	0.49
	Smt. Khushboo Pasari	0.33	0.29
	Consultation fees to KMP's of Holding Company		
	Shri Moneesh Agrawal	0.15	-
	Smt. Shalinee Mandhana	0.23	-
	Smt. Khushboo Pasari	0.05	-
	Total	81.68	54.50
(ix)	Sitting fees to Non-executive Independent Director of Holding Company		
	Shri Natrajan Ramkrishna	0.07	0.13
	Shri Jagdish Belwal	0.14	0.19
	Smt. Rashmi Prasad	0.05	0.10
	Shri Dinesh Kumar Batra	0.08	0.05
	Smt. Girija Balakrishnan	0.06	-
	Shri Vishwanathan Lakshmanan	0.05	-
	Shri Ramesh Bhujang	0.01	-
	Total	0.46	0.47

* This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Holding Company as a whole and individual amounts are not determinable.

C. Balance outstanding at the year end were as follows:

S.No	Nature of Transaction	March 31, 2026	March 31, 2025
(i)	Loans given (including interest accrued)		
	Ortiz Investments Pty Limited- Loan	35.37	31.22
	Ortiz Investments Pty Limited- Interest accrued	5.98	2.78
	Total	41.35	34.00
(ii)	Advances to suppliers for goods & services		
	ZMotion Autonomous Systems Private Limited	63.20	3.58
	Shri Moneesh Agrawal	0.27	-
	Smt. Shalinee Mandhana	0.39	-
	Smt. Khushboo Pasari	0.08	-
	Total	63.94	3.58
(iii)	Trade Payable		
	ZMotion Autonomous Systems Private Limited	-	17.92
	Solar Synthetics Private Limited	0.21	0.18
	Total	0.21	18.10
(iv)	Other payables		
	Shri Satyanarayan Nuwal	7.63	3.67
	Shri Manish Nuwal	23.48	10.94
	Shri Kailashchandra Nuwal (Refer Note number 31E)	0.13	0.13
	Shri Raghav Nuwal*	0.00	-
	Total	31.24	14.74

*Amount less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 31 : Related Party Disclosures (Contd..)

D. Terms and conditions of transactions with related parties

(i) Sales to related parties and concerned balances

(a) For terms of transaction

Sales are made to related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Group mutually negotiates and agrees sales price, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties, who purchase goods and services of the Group in similar quantities. Such sales generally include payment terms requiring related party to make payment within 30 to 60 days from the date of invoice.

(b) For terms of balance

Trade receivables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been received against these receivables.

(ii) Purchases of goods and related balances

(a) For terms of transaction

Purchases are made from related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The Group mutually negotiates and agrees purchase price and payment terms with the related parties by benchmarking the same to sale transactions with non-related parties entered into by the counter-party and similar purchase transactions entered into by the Group with the other non-related parties.

(b) For terms of balance

Trade payables outstanding balances are unsecured, interest free and require settlement in cash. No guarantee or other security has been given against these payables.

(iii) Services received from related parties

The Group has received miscellaneous services on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.

(iv) Loans given to related parties

- (a) The loan granted to associates was given for business purpose. The loan has been utilized by the associates for the purpose it was obtained. The loan carries interest at 8% p.a. For the year ended 31 March 2026, the Group has written off ₹ Nil due from an associate (31 March 2025: ₹ 1.81).

(v) Compensation to KMP of the Group

The amounts disclosed in the table of Note 31 (B) represents the expense recognised, which includes remuneration and consultancy paid during the financial year related to KMPs as approved by the respective committees. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Group in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable.

(vi) Compensation to Independent directors of the holding company

The amounts disclosed in the table of Note 31 (B) represents director sitting fees paid during the financial year related to independent director as approved by the respective committees.

- E. Shri Kailashchandra Nuwal, Executive Director and Vice Chairman of the Holding Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Company and AG Technologies Private Limited, which was related party.

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(All amounts in ₹ Crores, unless otherwise stated)

Note 31 : Related Party Disclosures (Contd..)

Based on legal opinions obtained, the Holding Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Holding Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee.

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Holding Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Holding Company challenged the order before the Supreme Court of India by filling an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

The Civil Appeal was listed before the Hon'ble Supreme Court on August 26, 2025. After considering the submissions of the parties, the Hon'ble Supreme Court was pleased to note that the term of the directorship of Shri Kailashchandra Nuwal, the Holding Company's erstwhile director, from April 1, 2016 to March 31, 2021, had expired. In view of the above, the Hon'ble Supreme Court was pleased to dispose of the Civil Appeal.

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, 2026	March 31, 2025
India	3,821.47	3,508.28
Outside India	5,790.40	3,851.78
Total	9,611.87	7,360.06

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, 2026	March 31, 2025
India	4,142.08	2,913.52
Outside India	1,037.36	721.85
Total	5,179.44	3,635.37

There is only one customer individually contributing more than 10% of Group's revenue, total amount of gross revenue from such customer for the year ended on March 31, 2026 is ₹ 964.31 (March 31, 2025 is ₹ 956.76)

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

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for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 33: Fair Value Measurements (Contd..)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods and assumptions were used to estimate the fair values:

1. The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit loss and adjusted the carrying values where applicable.
2. The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
3. The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
4. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values. The own non-performance risk as at March 31, 2026 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, 2026 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	37.00	4	-	-	-
Loans	38.96	5	-	-	-
Other financial assets (except derivatives)	389.98	6	-	-	-
Trade receivables	1,857.86	7	-	-	-
Cash and cash equivalents	469.44	8	-	-	-
Bank balances other than cash and cash equivalents	114.70	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	1.53	4	-	-	1.53
Investment in ICICI Prudential Short Term Fund Direct Plan growth option	0.02	4	0.02	-	-
Fair Value through profit and loss					
Derivative Instruments	9.80	6	-	9.80	-
Fair value through other comprehensive income					
Derivative Instruments	3.97	6	-	3.97	-
Investment in compulsory convertible debenture (unquoted)	1.20	4	-	-	1.20
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	142.94	4	-	-	142.94
Total Financial assets	3,067.40		0.02	13.77	145.67

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(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, 2026 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	820.36	13	-	-	-
Current	647.48	14	-	-	-
Acceptances	285.23	15A			
Trade Payables	631.74	15B	-	-	-
Lease Liabilities	56.18	3D	-	-	-
Other financial liabilities (except derivatives)	131.41	16	-	-	-
Liabilities measured at fair value					
Derivative Instrument not designated as hedge	-	16	-	-	-
Total Financial liabilities	2,572.40		-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the current year.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2025 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Investments	36.35	4	-	-	-
Loans	34.64	5	-	-	-
Other financial assets (except derivatives)	304.74	6	-	-	-
Trade receivables	1,238.58	7	-	-	-
Cash and cash equivalents	590.43	8	-	-	-
Bank balances other than cash and cash equivalents	135.05	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.98	4	-	-	0.98
Investment in ICICI Prudential Short Term Fund Direct Plan growth option	0.02	4	0.02	-	-
Investment in SBI Overnight Fund Direct Growth	172.50	4	172.50	-	-
Investment in Kotak Liquid Direct Growth	251.17	4	251.17	-	-
Investment in Kotak Overnight Direct Growth Fund	105.30	4	105.30	-	-
Fair value through profit and loss					
Derivative Instruments	4.90	6	-	4.90	-

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(All amounts in ₹ Crores, unless otherwise stated)

Note 33: Fair Value Measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fair value through other comprehensive income					
Derivative Instruments	3.03	6	-	3.03	-
Investment in compulsory convertible debenture (unquoted)	1.20	4	-	-	1.20
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	108.75	4			108.75
Total Financial assets	2,987.64		528.99	7.93	110.93
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	393.88	13	-	-	-
Current	545.71	14	-	-	-
Acceptances	394.61	15A			
Trade Payables	492.52	15B	-	-	-
Lease Liabilities	35.36	3D	-	-	-
Other financial liabilities (except derivatives)	159.45	16	-	-	-
Liabilities measured at fair value					
Derivative Instrument not designated as hedge	5.31	16	-	5.31	-
Total Financial liabilities	2,026.84		-	5.31	-

There have been no transfers among Level 1, Level 2 and Level 3 during the previous year.

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (Weighted Average)
Investment carried as FVTOCI (Investment in Compulsorily Convertible Preference Shares and equity shares of Skyroot Aerospace Private Limited)	DCF method	Long-term growth rate for cash flows for subsequent years	31 st March 2026 :- 73% to 438% 31 st March 2025 :- 3% to 1853%
		EBITDA Margin	31 st March 2026 :- (90%) to 48% 31 st March 2025 :- (696%) to 71%
		WACC	31 st March 2026 :- 65% 31 st March 2025 :- 45%
		Long-term growth rate for cash flows for subsequent years	31 st March 2026 :- 92% to 2500% 31 st March 2025 :- 69% to 1278%
		EBITDA Margin	31 st March 2026 :- (555%) to 62% 31 st March 2025 :- (222%) to 85%
Investment carried as FVTOCI (Investment in equity shares of Augsense Lab private limited)	DCF method	WACC	31 st March 2026 :- 65% 31 st March 2025 :- 70%

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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, acceptances, other financial liabilities 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, other financial assets and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

It has an integrated financial risk management system which proactively identifies, monitors and takes precautionary and mitigatory measures in respect of various identified risks.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk-Foreign Exchange risk	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign-exchange options / forward contracts
Market Risk- Equity price risk	Investment in Equity Securities, mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables, other financial asset and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letters of credit and Bank guarantee
Liquidity Risk	Borrowing, trade payables, acceptances, other financial liabilities and financial guarantee contracts	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. It is subject to risks arising from fluctuations in interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Name of the instrument	Currency	March 31, 2026	March 31, 2025
Derivatives designated as hedge		Amount in INR	
Forward contract	USD	2.81	4.76
Interest rate swap	USD	0.23	3.03

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Note 34: Financial risk management objectives and policies (Contd..)

0.5% changes in interest rate will increase the borrowing cost by ₹ 7.34 (Pre-tax) (For March 31, 2025: ₹ 4.70 (Pre-tax))

The Group has investment in Bank deposits and hence is exposed to Interest rate sensitivity.

0.5% changes in interest rate will decrease interest income by ₹ 0.78 (For March 31, 2025: ₹1.96).

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relate primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries & borrowing in foreign currency.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivables or payables that are 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

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss. In order to hedge the foreign currency risk on these payables, the Company has taken foreign exchange forward, which are as follows:

Name of the instrument	Currency	March 31, 2026	March 31, 2025
Derivatives not designated as hedge		Amount in INR	
Forward contract	USD	154.34	62.30
Derivatives designated as hedge		Amount in INR	
Forward contract	USD	203.84	297.59

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2026													
	USD	EURO	GBP	SGD	MUR	ZAR	SEK	AUD	GHC	SL	TRY	RUB	AED	ZIG
Trade Receivable	573.57	34.21	-	-	-	-	-	-	0.35	-	-	-	-	-
Cash and Cash equivalents*	167.53	0.41	-	-	-	0.01	-	-	1.33	0.50	3.61	-	-	1.31
Other Financial Asset	1.41	-	-	-	-	-	-	-	10.61	-	-	-	-	-
Borrowings	10.54	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Creditors	-	-	0.11	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities*	7.83	0.00	-	0.50	0.11	-	-	-	19.20	-	0.98	-	0.00	-
Acceptances	0.83	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	70.22	1.74	-	-	-	-	0.35	0.19	3.97	-	-	0.41	-	-

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for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

	March 31, 2025													
	USD	EURO	GBP	SGD	MUR	ZAR	SEK	GHC	ZIG	SL	TRY	RUB	AED	ZIG
Trade Receivable	397.05	-	-	-	-	-	-	0.46	-	-	-	-	-	-
Cash and Cash equivalents*	70.70	0.01	-	-	-	0.08	-	2.08	0.00	-	-	-	-	-
Other Financial Asset	10.30	-	-	-	-	-	-	6.78	-	-	-	-	-	-
Borrowings	19.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	1.43	-	-	0.10	0.18	-	-	16.11	-	-	-	-	-	-
Acceptances	5.81	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	83.69	0.04	0.01	-	-	-	0.22	5.22	-	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

	March 31, 2026	March 31, 2025
USD	6.53	3.68
ZIG*	0.01	0.00
SEK*	(0.00)	(0.00)
EURO*	0.33	(0.00)
ZAR*	0.00	0.00
TRY	0.03	-
GBP*	(0.00)	(0.00)
SGD	(0.01)	(0.00)
AED*	(0.00)	-
AUD *	(0.00)	-
MUR*	(0.00)	(0.00)
GHC	(0.11)	(0.12)
RUB*	(0.00)	-
SL*	0.00	-

* Amount is less than ₹ 0.01

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the invested securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Following are the details of investments which are subject to price risk:

	March 31, 2026	March 31, 2025
Investment in mutual funds	0.02	528.99

The impact of increases/ decreases of the BSE/ NSE index on the Group's investment in equity shares and mutual funds and gain/ loss for the period would be ₹ 0.00 (March 31, 2025: ₹ 5.29). 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

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 Investing and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

Cash and cash equivalents and deposits: Balances and deposits with banks are subject to low credit risks due to good credit ratings assigned to the banks.

Loans: The Group has given loans to certain unrelated parties. However there is no counter party risk. (refer Note 5 for details)

Investments: The Group limits its exposure to credit risk by generally investing in liquid securities and counterparties that have a good credit ratings. The Group does not expect any credit losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

Trade and other receivables:

The Group measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2026	1,629.90	94.18	216.46	1,940.54
As at March 31, 2025	1,069.98	101.54	118.94	1,290.46

The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2026	March 31, 2025
Opening balance	51.88	72.88
Provision/(reversal) for expected credit losses (net)	20.78	(18.23)
Addition due to acquisition (refer note 40)	-	3.28
Currency translation difference	10.02	(6.05)
Closing balance	82.68	51.88

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. The processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 34: Financial risk management objectives and policies (Contd..)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2026						
Borrowings						
From Banks		178.16	451.59	807.23	-	1,436.98
From Others	-	0.20	-	8.23	-	8.43
Non Convertible Debenture	-	2.92	8.75	-	-	11.67
Deferred Purchase Consideration	-	1.44	4.43	4.89	-	10.76
Acceptances	-	242.85	42.38	-	-	285.23
Trade Payables	-	631.75	-	-	-	631.75
Other financial liabilities (excluding derivatives and lease liabilities)	0.06	105.66	25.69	-	-	131.41
Lease Liability	-	4.85	13.57	27.56	11.10	57.08
As at March 31, 2025						
Borrowings						
From Banks	-	138.63	375.25	350.98	-	864.86
From Others	8.01	0.18	-	8.23	5.30	21.72
Non Convertible Debenture	-	7.91	18.75	11.67	-	38.33
Deferred Purchase Consideration	-	1.23	3.77	9.68	-	14.68
Acceptances	-	247.90	146.71	-	-	394.61
Trade payables	-	492.52	-	-	-	492.52
Other financial liabilities (excluding derivatives and lease liabilities)	0.07	133.19	25.04	1.15	-	159.45
Derivative Instruments	-	0.84	4.47	-	-	5.31
Lease Liability	-	3.09	8.91	14.07	10.22	36.29

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.

	March 31, 2026	March 31, 2025
Net debt	987.44	(182.41)
Equity	6,277.20	4,413.22
Capital and net debt	7,264.64	4,230.81
Net Gearing ratio*	13.59%	-

*Net gearing ratio for March 31, 2025 not calculated since net debt is negative.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 35: Capital Management (Contd..)

Calculation of net debt is as follows:

	March 31, 2026	March 31, 2025
Borrowings		
Non-Current	820.36	393.88
Current	281.09	250.43
Current maturities of long-term debt	366.39	295.28
	1,467.84	939.59
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	480.40	593.03
Current Investments	-	528.97
	480.40	1,122.00
Net Debt	987.44	(182.41)

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, 2026 and March 31, 2025.

Note 36: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/ associates/ joint ventures as of March 31, 2026

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
	2	3	4	5	6	7	8	9
(A) Solar Industries India Ltd.	64.54%	4,226.82	70.35%	1,221.71	9.52%	28.65	61.36%	1,250.36
		4,226.82		1,221.71		28.65		1,250.36
(B) Indian subsidiaries -								
1. Solar Defence & Aerospace Limited (formerly known as Economic Explosives Limited)	24.05%	1,574.86	20.10%	349.13	0.01%	0.02	17.14%	349.15
2. Solar Explochem India Limited	1.03%	67.75	(1.01%)	(17.56)	-	-	(0.86%)	(17.56)
3. Emul Tek Private Limited	1.77%	115.63	0.70%	12.14	1.27%	3.82	0.78%	15.96
4. Solar Defence Limited*^	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
5. Solar Defence Systems Limited*^	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
6. Solar Avionics Limited*^	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
7. Solar Aerospace Limited^	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
		1,758.31		343.70		3.84		347.54
(C) Overseas subsidiaries & step down subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	4.64%	303.59	3.62%	62.91	-	-	3.09%	62.91
2. Solar Nigachem Limited	0.38%	24.98	1.99%	34.61	-	-	1.70%	34.61
3. Solar Overseas Netherlands B.V.	2.67%	174.60	(0.20%)	(3.48)	-	-	(0.17%)	(3.48)
4. Solar Explochem Zambia Limited	3.76%	246.50	0.70%	12.10	-	-	0.59%	12.10
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	4.29%	280.73	(0.15%)	(2.62)	-	-	(0.13%)	(2.62)
6. P.T. Solar Mining Services#	0.81%	52.95	0.18%	3.20	-	-	0.16%	3.20
7. Solar Nitro Ghana Limited	2.18%	142.63	4.58%	79.62	-	-	3.91%	79.62

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(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 subsidiaries/ associates/ joint ventures as of March 31,2026 (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
8. Solar Madencilik Hizmetleri A.S	0.14%	8.91	0.17%	2.95	-	-	0.14%	2.95
9. Solar Overseas Netherlands Cooperative U.A	11.72%	767.66	0.67%	11.68	-	-	0.57%	11.68
10. Solar Overseas Singapore Pte Ltd	2.86%	187.61	0.02%	0.29	-	-	0.01%	0.29
11. Solar Industries Africa Limited	0.60%	39.10	(0.04%)	(0.69)	-	-	(0.03%)	(0.69)
12. Solar Nitro Zimbabwe (Private) Limited	1.03%	67.55	(0.34%)	(5.82)	-	-	(0.29%)	(5.82)
13. Solar Nitrochemicals Limited	1.59%	104.34	2.29%	39.81	-	-	1.95%	39.81
14. Solar Mining Services Pty Ltd, Australia	1.25%	81.74	(0.18%)	(3.05)	(0.02%)	(0.05)	(0.15%)	(3.10)
15. Solar Mining Services CI SARL, Ivory Coast^	(0.00%)	(0.04)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
16. Solar Venture Company Limited	0.10%	6.37	(0.03%)	(0.44)	-	-	(0.02%)	(0.44)
17. Solar Overseas Mauritius Limited (Standalone)	15.19%	994.99	2.48%	43.07	0.07%	0.20	2.12%	43.27
18. Solar Mining Services-Albania*^	0.02%	1.07	0.00%	0.00	-	-	0.00%	0.00
19. Solar Mining Services-Burkina Faso*^	0.00%	0.01	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)
20. Solar Nitro SARL^	0.00%	0.02	(0.01%)	(0.25)	-	-	(0.01%)	(0.25)
21. Solar Nitro Kazakhstan Limited	0.72%	47.26	(0.02%)	(0.40)	-	-	(0.02%)	(0.40)
22. PowerBlast LLP	0.75%	48.87	(0.11%)	(1.95)	-	-	(0.10%)	(1.95)
23. Solar Nitro SL Limited^	0.00%	0.05	0.00%	0.01	-	-	0.00%	0.01
24. Maxigear(Pty) Ltd	(0.06%)	(4.11)	0.05%	0.93	-	-	0.05%	0.93
25. Frag Shared Services (Pty) Ltd^	0.00%	0.19	0.00%	0.04	-	-	0.00%	0.04
26. Procapture (Pty) Ltd^	0.01%	0.57	0.00%	0.05	-	-	0.00%	0.05
27. Problast BS (Pty) Ltd	(0.33%)	(21.57)	1.37%	23.78	-	-	1.17%	23.78
28. Problast BBBEE Investment Co. (Pty) Ltd	0.01%	0.53	0.30%	5.13	-	-	0.25%	5.13
		3,557.10		301.47		0.15		301.62
(D) Minority Interests in all subsidiaries	4.15%	271.70	3.40%	59.09	24.91%	74.98	6.58%	134.07
		271.70		59.09		74.98		134.07
(E) Associates, Entities with Joint control or significant influence over the entity								
Solar United Co. Limited^	0.02%	1.51	(0.00%)	(0.08)	-	-	(0.00%)	(0.08)
Ortiz Investments*^	0.00%	0.00	(0.01%)	(0.23)	-	-	(0.01%)	(0.23)
Zmotion Autonomous System Private Limited	0.54%	35.49	0.03%	0.58	-	-	0.03%	0.58
		37.00		0.27		-		0.27
Consolidation adjustment	(50.42%)	(3,302.03)	(10.92%)	(189.60)	64.25%	193.38	0.19%	3.77
Total		6,548.90		1,736.64		301.00		2,037.64

* Amount is less than ₹ 0.01

^ % is less than 0.01%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(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 subsidiaries/ associates/ joint ventures as of March 31,2026 (Contd..)

Disclosure of Group's interest in Joint Arrangements (Joint Operations) :

Name of the Joint operations	Group's % Interest		Partners and their Participating Interest (PI)	Country
	2025-26	2024-25		
PT Solar Mining Services - Indonesia	49%	49%	PT Pindad- 51%	Indonesia
PT Solar Mining Services - Thailand**	0%	50%	PV Explosive-50%	Thailand

** Ceased to be Joint Operation w.e.f 01/04/2025.

*Amount Includes Joint operations revenue and net assets.

Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/ associates/ joint ventures as of March 31,2025

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
(A) Solar Industries India Ltd.	67.06%	3,066.96	62.36%	803.11	8.77%	(5.70)	65.20%	797.41
		3,066.96		803.11		(5.70)		797.41
(B) Indian subsidiaries -								
1. Solar Defence & Aerospace Limited (formerly known as Economic Explosives Limited)	26.80%	1,225.70	15.21%	195.83	1.42%	(0.92)	15.94%	194.91
2. Solar Explochem India Limited^	0.00%	(0.21)	(0.59%)	(7.65)	-	-	(0.63%)	(7.65)
3. Emul Tek Private Limited	0.74%	34.03	0.98%	12.68	(0.43%)	0.28	1.06%	12.96
4. Solar Defence Limited*^	0.00%	0.02	0.00%	(0.00)	-	-	0.00%	(0.00)
5. Solar Defence Systems Limited*^	0.00%	0.02	0.00%	(0.00)	-	-	0.00%	(0.00)
6. Solar Avionics Limited*^	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
7. Solar Aerospace Limited^	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
		1,259.61		200.85		(0.64)		200.21
(C) Overseas subsidiaries & step down subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	4.43%	202.61	1.82%	23.45	-	-	1.92%	23.45
2. Solar Nigachem Limited	0.67%	30.47	1.78%	22.98	-	-	1.88%	22.98
3. Solar Overseas Netherlands B.V.	3.51%	160.74	(0.48%)	(6.13)	-	-	(0.50%)	(6.13)
4. Solar Explochem Zambia Limited	3.03%	138.62	5.34%	68.76	-	-	5.62%	68.76
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	5.23%	239.03	3.28%	42.22	-	-	3.45%	42.22
6. P.T. Solar Mining Services#	1.00%	45.65	0.06%	0.83	-	-	0.07%	0.83
7. Solar Nitro Ghana Limited	1.29%	59.02	2.33%	29.97	-	-	2.45%	29.97
8. Solar Madencilik Hizmetleri A.S	0.11%	4.99	(0.19%)	(2.49)	-	-	(0.20%)	(2.49)
9. Solar Overseas Netherlands Cooperative U.A	14.88%	680.56	1.43%	18.43	-	-	1.51%	18.43
10. Solar Overseas Singapore Pte Ltd	3.64%	166.24	(0.14%)	(1.86)	-	-	(0.15%)	(1.86)
11. Solar Industries Africa Limited	0.79%	35.91	(0.99%)	(12.80)	-	-	(1.05%)	(12.80)
12. Solar Nitro Zimbabwe (Private) Limited	0.38%	17.39	(0.14%)	(1.84)	-	-	(0.15%)	(1.84)
13. Solar Nitrochemicals Limited	1.48%	67.67	1.22%	15.73	-	-	1.29%	15.73
14. Solar Mining Services Pty Ltd, Australia	1.53%	70.16	(0.08%)	(1.00)	0.14%	(0.09)	(0.09%)	(1.09)
15. Solar Mining Services CI SARL, Ivory Coast^	(0.00%)	(0.03)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
16. Solar Venture Company Limited	0.13%	5.82	0.09%	1.11	-	-	0.09%	1.11

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(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 subsidiaries/ associates/ joint ventures as of March 31,2026 (Contd..)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
	2	3	4	5	6	7	8	9
17. Solar Overseas Mauritius Limited (Standalone)	18.73%	856.49	2.75%	35.41	(2.58%)	1.68	3.03%	37.09
18. Solar Mining Services-Albania	0.02%	0.87	0.02%	0.21	-	-	0.02%	0.21
19. Solar Mining Services-Burkina Faso*^	0.00%	0.01	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)
20. Solar Nitro SARL^	0.00%	0.21	(0.00%)	(0.02)	-	-	(0.00%)	(0.02)
21. Solar Nitro Kazakhstan Limited	0.84%	38.30	(0.01%)	(0.17)	-	-	(0.01%)	(0.17)
22. PowerBlast LLP	0.89%	40.48	(0.07%)	(0.96)	-	-	(0.08%)	(0.96)
23. Maxigear(Pty) Ltd	(0.11%)	(4.88)	0.03%	0.34	-	-	0.03%	0.34
24. Frag Shared Services (Pty) Ltd^	0.00%	0.09	0.00%	0.02	-	-	0.00%	0.02
25. Procapture (Pty) Ltd^	0.01%	0.40	0.00%	0.06	-	-	0.01%	0.06
26. Problast BS (Pty) Ltd	(0.66%)	(30.37)	1.18%	15.22	-	-	1.24%	15.22
27. Problast BBBEE Investment Co. (Pty) Ltd^	0.01%	0.42	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
		2,826.86		247.43		1.59		249.02
(D) Minority Interests in all subsidiaries	3.29%	150.28	6.09%	78.49	13.97%	(9.08)	5.68%	69.41
		150.28		78.49		(9.08)		69.41
(E) Associates, Entities with Joint control or significant influence over the entity								
Solar United Co. Limited	0.03%	1.43	(0.01%)	(0.14)	-	-	(0.01%)	(0.14)
Ortiz Investments*^	0.00%	0.00	(0.06%)	(0.76)	-	-	(0.06%)	(0.76)
Zmotion Autonomous System Private Limited	0.76%	34.92	0.58%	7.09	-	-	0.58%	7.09
		36.35		6.19		-		6.19
Consolidation adjustment	(60.50%)	(2,766.68)	(3.74%)	(48.15)	78.72%	(51.17)	(8.12%)	(99.32)
Total		4,573.38		1,287.93		(65.00)		1,222.93

* Amount is less than ₹ 0.01

^ % is less than 0.01%

Disclosure of Group's interest in Joint Arrangements (Joint Operations) :

Name of the Joint operations	Company's % Interest		Partners and their Participating Interest (PI)	Country
	2024-25	2023-24		
PT Solar Mining Services - Indonesia	49%	49%	PT Pindad- 51%	Indonesia
PT Solar Mining Services - Thailand	50%	0%	PV Explosive-50%	Thailand

*Amount Includes Joint operations revenue and net assets.

Notes to Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Note 37. Sale of products and services

a. Principal revenue generation activity

The Group is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

b. Disaggregated Revenue information

The Group is domiciled in India. The amount of its revenue from sale of products and services to external customers broken down by location of the customers is shown in the table below:

	March 31, 2026	March 31, 2025
India	3,821.47	3,508.28
Outside India	5,790.40	3,851.78
Total	9,611.87	7,360.06

c. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2026.

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, 2026	March 31, 2025
Trade Receivables	1,857.86	1,238.58
Contract Liabilities	1,359.47	1,330.09

d. Revenue from contract with customers amounting to ₹ 9,611.87 (March 31, 2025: ₹ 7,360.06) is net of rebate, discounts, powder factor and other deductions.

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2026, the aggregate amount of the transaction price allocated to order backlog was ₹ 21,150.23 (March 31, 2025: ₹ 16,452.63). The Group expects to recognise revenue within one to fifteen years.

Note 38 : Effects of Hyperinflation

Beginning July 1, 2022, Solar Patlayıcı Maddeler Sanayi Ve Ticaret Anonim Şirketi and Solar Madencilik Hizmetleri A.Ş., Turkey, step-down subsidiaries, became a hyperinflationary economy because, among some other economic factors, the last three years' cumulative inflation in Turkey exceeded 100% according to consumer price index in the country.

Summary of cumulative inflation year ending is:

Country	March 31, 2026	March 31, 2025	March 31, 2024
Turkey	3,866.45	2,954.69	2,139.47

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 38 : Effects of Hyperinflation (Contd..)

In accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies, the balance sheet i.e. the non-monetary assets, liabilities, owner's equity and profit & loss of the aforesaid subsidiaries operating in hyperinflationary economy are restated for the changes in the general purchasing power of the local currency, using official indices at the balance sheet date, before translation into India Rupees and, are stated in terms of the measuring unit current at the balance sheet date. The aforesaid restatement resulted in loss of ₹ 94.53 which is accounted in other expenses for the year ended 31 March 2026 (refer note 24).

Further, in accordance with para 42 and 43 of Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, the comparatives amounts in the Consolidated Financial Statements are not adjusted for subsequent changes in the price level i.e. consumer price index. Consequentially, the changes arising in the comparative period amounting to ₹ 47.76 has been credited to opening retained earnings as at April 01, 2025 (April 01, 2024 ₹ 38.55) (refer note 12A).

Note 39: On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has assessed the incremental impact of these changes arising from the implementation of the Labour Codes based on its best judgment. Accordingly, the Group has recognised a financial impact of ₹ 2.91 crore in accordance with Ind AS 19 - 'Employee Benefits' in the consolidated financial statements in the year ended March 31, 2026.

Note 40: Acquisition of Pro Blast Group (South Africa)

Solar Industries India Limited through Solar Mining Services Pty Limited, South Africa (a step-down subsidiary of the Ultimate Holding Company), acquired controlling stake in Problast Group, South Africa effective from July 1, 2024 ("acquisition date") for a consideration of ₹ 250.51. Further, during the year ended March 31, 2026, the management has concluded final determination of fair values of identified assets acquired and liabilities assumed of Problast Group for the purpose of purchase price allocation as at the acquisition date as per the requirements of Ind AS 103 and figures for the previous periods have been restated accordingly. The Group has finalised the Goodwill on acquisition at ₹ 117.26. The reported and restated figures as on March 31, 2025 are given below:

Particulars	As at 31-03-2025	As at 31-03-2025
	Reported	Restated
(i) Non current assets	4,134.81	4,171.57
(ii) current assets	4,122.53	4,122.53
(iii) Non current assets classified as held for sale	3.98	3.98
Total Assets	8261.32	8,298.08
(i) Equity share capital	18.10	18.10
(ii) Other Equity attributable to shareholders	4,368.24	4,395.12
(iii) Non-Controlling interest	150.28	160.16
(iv) Non current liabilities	1,610.82	1,610.82
(v) current liabilities	2,113.88	2,113.88
Total Equity and liabilities	8,261.32	8,298.08

The consolidated financial statements for the year ended March 31, 2026, include the financial statements of Problast Group from the acquisition date. Accordingly, the consolidated financial statements for the year ended March 31, 2026 are not comparable with the consolidated financial statements for the year ended March 31, 2025 to that extent.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 41: Change in functional currencies:

As per the principles laid down in Ind AS 21 – 'The effects of changes in foreign exchange rates', The Group has changed functional currency for Solar Nitro Ghana Limited and Solar Nitro Zimbabwe Private Limited ("step down subsidiaries") from their respective local currencies – Ghanaian Cedi (GHC) and Zimbabwean Gold (ZIG) to US Dollar (\$) w.e.f. October 1, 2024.

The functional currencies for the above mentioned step down subsidiaries were changed due to change in following circumstances:

1. Primary currency for receiving and retaining funds through financing and operating activities is US Dollar
2. Changes in economic substances of underlying transactions in which the entities operate their business activities
3. The management also intend to continue using US Dollar as primary currency for transactions

Pursuant to the change of the aforesaid functional currencies, the group has ceased applying Ind AS 29- 'Financial Reporting in Hyperinflationary Economies' to the said step-down subsidiaries w.e.f October 1, 2024.

Note 42 : Other Statutory Information:

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
- (v) The Group has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 43: Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the SAP HANA application and the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of software. Additionally, the audit trail of prior year(s) has been preserved by the Group as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Note 44 : The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the consolidated financial statements to determine the necessity for recognition and / or reporting of any of these events or transactions in the consolidated financial statements. As on May 15, 2026, there are no subsequent events to be recognized or reported.

Note 45 : Previous year's figures have been regrouped and rearranged where necessary to confirm to this year's classification.

Note 46 : The financial statements were approved for issue by the Board of Directors on May 15, 2026.

As per our report of even date attached

For **Gandhi Rathi & Co.**
Chartered Accountants
ICAI Firm Registration
Number:103031W

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

For and on behalf of the Board of Directors of
Solar Industries India Limited

per C.N. Rathi
Partner
Membership No.- 039895

per Hemal Shah
Partner
Membership No.- 110829

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Place : Nagpur
Date : May 15, 2026

Place : Nagpur
Date : May 15, 2026

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 15, 2026

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "A": Subsidiaries

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
Name of Subsidiaries	Solar Defence Aerospace Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Aerospace Limited	Solar Defence Aerospace Limited	Solar Defence Aerospace Limited	Solar Overseas Mauritius Limited	Solar Overseas Singapore Private Limited	Solar Overseas Singapore Private Limited	Solar Overseas Netherlands B.V.	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	Solar Industries Africa Limited	
The date since when subsidiary was acquired/ incorporated	18.08.1985	01.04.2015	16.11.2020	10.03.2016	21.03.2016	29.04.2022	10.08.2024	21.08.2009	16.11.2009	02.10.2009	05.01.2011	04.08.2014	29.07.2009	15.08.2006	06.08.2007	09.02.2015	28.02.2008	18.02.2010	10.10.2018	04.11.2019	09.01.2008	22.12.2017	25.01.2018	08.04.2021	22.04.2021	26.08.2016	05.12.2022	07.11.2023	05.05.2023	01.10.2023	01.07.2024	01.07.2024	01.07.2024	01.07.2024		
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR		
Exchange Rate	4.80	71.01	0.05	0.05	0.05	95.00	0.05	521.45	135.75	798.15	253.57	72.17	0.02	8.84	45.70	464.58	50.99	0.00	75.63	0.02	56.88	33.78	1.62	0.02	0.71	0.06	0.03	0.04	48.02	52.08	0.00	0.00	0.00	0.00	0.00	
Capital	157005	4402	(0.04)	(0.04)	(0.04)	(27277)	(0.01)	354488	(814)	(30489)	(78997)	(33077)	24648	1814	23502	(10358)	196	8174	(8077)	(0.06)	4746	10887	730	(0.01)	0.36	0.31	(0.01)	0.01	(0.77)	(319)	(411)	0.19	0.67	(2213)	0.63	
Reserves	348217	4504	0.01	0.02	0.02	41073	0.05	185229	22302	89822	24288	8254	45498	39121	74087	90746	6879	27888	14482	0.03	19230	27073	2068	0.01	1.07	1068	0.68	1745	5228	10184	2768	1.30	1.68	21030	2.61	
Total Assets	190732	34077	0.004	0.005	0.006	34000	0.01	86720	3841	9056	6828	4344	5228	29472	46014	57454	1584	19714	7728	0.08	6241	11693	1175	-	0.00	0.10	0.66	1739	521	5349	3177	1.11	1.11	28136	1.65	
Total Liabilities	-	9.56	-	-	-	-	-	-	151	-	-	0.00	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Details of Investments (as per Schedule III in subsidiaries)	157730	45158	-	-	-	220500	-	35097	-	-	-	-	37371	49032	98398	108812	4825	18674	2191	-	22949	41279	6042	-	-	0.38	-	-	-	2639	754	807	214	53143	-	
Turnover	47433	1723	(0.004)	(0.004)	(0.004)	(2328)	(0.01)	4717	030	1213	(361)	(071)	1813	5531	1307	11834	425	(430)	(800)	(001)	5903	11272	428	(000)	003	(044)	(035)	001	(642)	(202)	148	009	006	6031	1315	
Profit before Taxation	12520	509	-	0000	(0000)	(572)	-	245	(001)	-	-	-	557	1937	1579	3318	093	(113)	(202)	-	1770	3004	122	-	002	002	002	(009)	000	-	004	002	002	2034	(000)	
Provision for Taxation	34813	1214	(0004)	(0004)	(0004)	(1756)	(001)	4472	030	1213	(361)	(071)	1256	3554	(272)	8318	332	(316)	(604)	(001)	4133	8268	306	(000)	001	(048)	(036)	001	(642)	(202)	144	006	005	3847	1315	
Proposed Dividend																																				
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Contribution to the overall performance of the Company	20.10%	0.70%	0.00%	0.00%	0.00%	1.03%	0.00%	2.48%	0.02%	0.87%	(0.20%)	(0.04%)	0.70%	1.99%	(0.15%)	3.82%	0.18%	(0.18%)	(0.34%)	(0.00%)	2.25%	4.58%	0.17%	(0.00%)	0.00%	(0.03%)	(0.01%)	0.00%	(0.02%)	(0.11%)	0.05%	0.00%	1.37%	0.30%		

Notes:

- Names of subsidiaries which are yet to commence operations
 - Solar Defence Systems Limited
 - Solar Defence Limited
 - Solar Avionics Limited
 - Solar Aerospace Limited
 - Solar Mining Services Core d'Ivoire Limited (SARL)
 - Solar Nitro (SARL)
 - Solar Mining Services- Burkina Faso SARL
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- Refer Note 2.1 of Consolidated Financial Statements to see relation with the subsidiary, equity holding and Country of incorporation for each subsidiary.
- Financial information is based on Audited Results of subsidiaries. The reporting period of the subsidiary is same as that of holding Company.

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "B" Associates

Statement pursuant to Section 129(3) of the Companies Act 2013 related to Associate Companies and Joint ventures

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Date on which the associate or joint Venture was associated or acquired	No. of Shares	Amount of Investment in Associates (In Crores)	Extent of Holding %	Networth attributable of Shareholding as per latest audited Balance Sheet (In Crores)	Considered in Consolidated (In Crores)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not consolidated
1	Zmotion Autonomous Systems Private Limited	March, 31 2025	April 06, 2022	8,75,880	27.75	45.99%	12.21	7.09	-	-	-
2	Solar United Company Limited	March, 31 2024	July 18, 2023	9,80,000	1.51	49.00%	2.24	-	2.24	-	-
3	Ortiz Investments	March, 31 2024	May 9, 2023	490	0*	49.00%	(1.53)	0.00	(1.53)	-	-

* Amount is less than 0.01

NOTES:

- There is no significant influence due to % of Share Capital.
- Solar United Company Limited is yet to commence its Business Operations.
- Names of associates or Joint Ventures which have been sold during the year: NIL

For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nuwal
Managing Director & CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Place : Nagpur
Date : May 15, 2026

Solar Industries India Limited

CIN: L74999MH1995PLC085878

Registered office: "Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023 (MH).

Email id: investor.relations@solargroup.com, **Website:** www.solargroup.com

Telephone: 0712-6634567 Fax: 0712-6634578

Notice

Notice is hereby given that the Thirty-first **Annual General Meeting (AGM)** of the Members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) ("**the Company**") will be held on **Tuesday, 11th day of August, 2026** at 11:30 a.m. through Video Conferencing ("**VC**")/ Other Audio Visual Means ("**OAVM**") without the physical presence of the Members at a common venue to transact the businesses mentioned below.

Ordinary Business:

ITEM NO. 1

Adoption of Audited Financial Statements

To receive, consider and adopt (a) audited standalone financial statements of the Company for the financial year ended on March 31, 2026 and the Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended on March 31, 2026 together with the Report of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**.

- (a) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2026, and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
- (b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended on March 31, 2026, and the Report of the Auditors thereon laid before this meeting, be and are hereby considered and adopted."

ITEM NO. 2

Declaration of Dividend

To declare a Dividend on equity shares for the financial year ended on March 31, 2026, and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT a Dividend at the rate of ₹ 11/- (Rupees Eleven Only) per equity share of ₹ 2/- (Rupees Two only) each fully paid up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2026 and the same be paid out of the profits of the Company.

ITEM NO. 3

Appointment of Director retiring by Rotation

To appoint a director in place of Shri Milind Deshmukh (DIN: 09256690), who retires by rotation and being eligible offers himself for Re-appointment and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Milind Deshmukh (DIN: 09256690), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Special Business:

ITEM NO. 4

Re-appointment of Shri Milind Deshmukh (DIN: 09256690) as a Whole-time Director of the Company and revision in terms of his remuneration.

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, the approval of the members of the Company be and is hereby accorded to re-appoint Shri Milind Deshmukh (DIN: 09256690), as a Whole Time Director designated as an Executive Director of the Company, liable to retire by rotation for a period of 3 (three) years from the end of his present term of office, i.e., with effect from July 29, 2026 till July 28, 2029 on the terms and conditions of re-appointment including the remuneration, perquisites, allowances, benefits and amenities payable to Shri Milind Deshmukh (DIN: 09256690), as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Milind Deshmukh (DIN: 09256690), remuneration, perquisites, allowances, benefits and amenities not exceeding the limits specified under Section 197 read with Schedule V of the Act, rules made thereunder and other applicable laws, regulations, as amended from time to time as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and/or vary the terms and conditions of the said re – appointment and/or enhance, enlarge, widen, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to

Shri Milind Deshmukh (DIN: 09256690), in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Act and the Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 5:

Appointment of Smt. Reena Jha Tripathi (DIN: 11022528) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Reena Jha Tripathi (DIN: 11022528), who was appointed as an Additional Director (Non- Executive Independent Director) of the Company by the Board of directors in its meeting dated May 15, 2026, on the

recommendation of Nomination and Remuneration Committee and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold the office for the first term of 5 (Five) years with effect from dated May 15, 2026 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT The Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution".

ITEM NO. 6

Alteration of Articles of Association ("AOA") of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the approval of the Members of the Company be and is hereby accorded for alteration of Articles of Association of the Company by inserting Clause 92 after Clause 91 in the Articles of Association with the following:

92.	Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.	Appointment of Nominee Director
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RESOLVED FURTHER THAT Shareholders of the Company be and is hereby adopted a new set of Articles of Association by considering the above-mentioned alteration and the subsequent clauses of Articles of Association to be re-numbered accordingly.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution".

ITEM NO. 7

Ratification of Cost Auditor's Remuneration for the financial year ending March 31, 2027.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and recommendation of the Audit Committee, the remuneration, as approved by the Board of Directors and set out in the statement annexed to the Notice convening this Meeting, to be paid ₹ 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only), to M/s Deepak Khanuja & Associates, 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, 2027 be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For **Solar Industries India Limited**

Date: May 15, 2026

Place: Nagpur

Registered office:

"Solar" House, 14,

Kachimet, Amravati Road,

Nagpur – 440023 (MH).

CIN: L74999MH1995PLC085878

Email id: investor.relations@solargroup.com

Website: www.solargroup.com

Telephone No. 0712- 6634567

Sd/-
(Khushboo A. Pasari)
Company Secretary & Compliance Officer
Membership No.- F7347

Notes:

- 1. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the business under Item Nos. 4,5,6 and 7 of the accompanying Notice are annexed hereto.**
- 2. General instructions for accessing and participating in the 31st Annual General Meeting (AGM) through VC / OAVM Facility and voting through electronic means including remote e-voting:**

Virtual Meeting and Remote E-voting

- a. The Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 9/2023 dated September 25, 2023, Circular No. 9/2024 dated September 19, 2024, Circular No. 03/2025 dated September 22, 2025 and the Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), has allowed the Companies to conduct Annual General Meeting through video conferencing ("VC") or other audio visual means ("OAVM") without physical presence of the members at a common venue. Hence, the members can attend and participate in the ensuing AGM through VC/OAVM. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at "Solar" House, 14, Kachimet, Amravati Road, Nagpur - 440023.
- b. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Bodies Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

who are allowed to attend the AGM without restrictions on account of first come first served basis.

- d. The attendance of the Members (Member's Logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- e. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, January 13, 2021, December 28, 2022 and September 25, 2023 and September 19, 2024 and September 22, 2025 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- f. In line with the Ministry of Corporate Affairs Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.solargroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.
- g. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

3. The instructions for Members for remote E-voting and joining General Meeting are as under: -

- a. The remote e-voting period begins on Saturday, the 8th day of August, 2026, at 9:00 a.m. and ends on Monday, the 10th day of August, 2026, at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 4th day of August, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, Tuesday, the 4th day of August, 2026.
- b. A Person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



App Store



Google Play



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) If you are still unable to get the password by aforesaid option, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" option available on www.evoting.nsdl.com to reset the password.
2. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Tuesday, the 4th August, 2026.
3. Any non-individual shareholder becoming a member of the Company after the Notice is sent through e-mail and holding shares as on the cut-off date, i.e., Tuesday, 4th August 2026, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or call on toll free no. 022 48867000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, the 4th August, 2026. May follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
5. Shri Tushar Pahade, Proprietor at M/s T. S Pahade & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
6. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tusharpahade@gmail.com with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
7. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
8. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him who shall then countersign and declare the result of the voting forthwith. The results shall be announced within two working days of the conclusion of AGM.
9. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.solargroup.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited, Mumbai.
10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section

of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Sagar S. Gudhate, Senior Manager at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. Members holding shares in dematerialised mode who have not registered their email address with Depository participants are requested to register/ update the same with the Depository Participants where they maintain their Demat accounts. You are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
2. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for Members for E-voting on the day of the AGM are as under:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for Attending the 31st AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login

where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/have questions need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address investor.relations@solargroup.com at least 48 hours in advance before the start of the AGM i.e. by Sunday, the 9th day of August, 2026 by 11:30 a.m. IST. The same will be replied to by the Company suitably. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
6. Institutional Investors, who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.

Electronic dispatch of Annual Report, process for registration of E-mail id and Book closure.

4. In compliance with SEBI Circular dated May 12, 2020, January 5, 2023, October 7, 2023, October 3, 2024 and MCA Circulars, Notice of the AGM and the Annual Report for the financial year 2025-26 including therein the Audited Financial Statements for financial year 2025-26, are being sent only by email to the Members. Therefore, those Members, whose email addresses are not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the financial year 2025-26 and all other communication sent by the Company, from time to time, may register/update their e-mail addresses through their respective Depository Participant(s).
5. The Notice of the AGM and the Annual Report for the financial year 2025-26 including therein the Audited Financial Statements for the Financial Year 2025-26, will be available

on the website of the Company at www.solargroup.com and the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

6. In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2025-26 and Notice of the 31st AGM of the Company, may send request to the Company's e-mail address at investor.relations@solargroup.com mentioning Folio No./DP ID and Client ID.
7. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, the 29th day of July, 2026 to Tuesday, the 11th day of August, 2026 both days inclusive, for annual closing and determining the entitlement of the Members to the final Dividend for Financial Year 2025-26.

Dividend related Information

8. The Board of Directors has recommended Final Dividend of ₹ 11/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2026 that is proposed to be paid on Thursday, the 20th day of August, 2026 subject to the approval of the shareholders at the AGM of the Company.
9. The Company has fixed Tuesday, the 28th day of July, 2026 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2026, if approved at the AGM.

Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act 2020 and amendments thereof. The shareholders are requested to update their PAN with the depositories.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 121, to avail the benefit of non-deduction of tax at source by uploading at solardivtax@in.mpms.mufig.com or email at <https://web.in.mpms.mufig.com/formsreg/submission-of-Form-121-41.html> by 11:59 p.m. IST on Monday, the 27th day of July, 2026. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading at solardivtax@in.mpms.mufig.com or email at <https://web.in.mpms.mufig.com/formsreg/submission-of-Form-121-41.html>. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Monday, the 27th day of July 2026.

The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates by uploading at solardivtax@in.mpms.mufig.com or email at <https://web.in.mpms.mufig.com/formsreg/submission-of-Form-121-41.html> on or before by 11:59 p.m. IST on Monday, the 27th day of July, 2026. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961.

10. The final dividend as recommended by the Board of Directors, if approved at the AGM, payment of such dividend shall be subject to deduction of tax at source will be made on Thursday, the 20th day of August, 2026 as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Tuesday, the 28th day of July, 2026.
11. SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depository and maintained by the RTA for Payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank account of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/ Direct Credit etc. The payment of dividend as recommended by the Board of Directors, if approved at the AGM, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
12. Pursuant to SEBI requirements, effective 1 April 2024, dividend payments can be made only through electronic modes. Members are requested to ensure that their bank account details, PAN, KYC particulars and nomination details are updated in the Company's records. Members who have not updated their bank account details are requested to contact their respective Depository Participants.

IEPF related Information

13. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, the Company has transferred ₹ 82,758/- (Rupees Eighty two thousand seven hundred and fifty eight Only) relating to financial year 2017-18 (Final) during the financial year 2025-26 to IEPF.

During the current financial year 2026-27, The Company will be required to transfer the unclaimed final dividend

for the year 2018-19. Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.solargroup.com. Members who have not encashed Final Dividend for the year 2018-19 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

Information in respect of such unclaimed dividend when due for transfer to the Investor IEPF are given below:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2026 (in Rupees)	Last Date for claiming Unpaid Dividend
2018-19 (Final)	July 31, 2019	47,901	July 31, 2026
2019-20 (Final)	September 16, 2020	64,668	September 16, 2027
2020-21 (Final)	August 31, 2021	45,105	August 31, 2028
2021-22 (Final)	June 10, 2022	40,110.50	June 10, 2029
2022-23 (Final)	June 21, 2023	2,13,908	June 21, 2030
2023-24 (Final)	July 18, 2024	98,789	July 18, 2031
2024-25 (Final)	July 22, 2025	62,172	July 22, 2032

14. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. During the financial year 2025-26, 297 shares were transferred to IEPF.

Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2019-20 are advised to claim the same. In case, a valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

Other Information

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant, and holdings should be verified from time to time.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

17. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form.

18. During the AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at www.evoting.nsdl.com.

19. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors seeking an appointment/ re-appointment.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

ITEM NO. 4

Re-Appointment of Shri Milind Deshmukh (DIN: 09256690), as a Whole-time Director of the Company and revision in terms of his remuneration.

Shri Milind Deshmukh (DIN: 09256690) was appointed as a Whole-time Director of the Company for a period of Five (5) years w.e.f July 29, 2021 to July 28, 2026.

Based on the Performance Evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 15, 2026, have approved the re-appointment of Shri Milind Deshmukh (DIN: 09256690), as a Whole Time Director designated as Executive Director and Key Managerial Personnel, liable to retire by rotation for a period of 3 (Three) years from the expiry of his present term i.e. from July 29, 2026 on the terms and conditions including remuneration in accordance with norms laid down in Schedule V and other applicable provisions of Companies Act, 2013 and rules made thereunder, subject to approval of the Shareholders.

Broad Particulars of the terms of re-appointment and remuneration payable to Shri Milind Deshmukh are as under:

Period of Re-appointment	July 29, 2026, to July 28, 2029
Remuneration	
Salary	₹ 10,00,000 - ₹ 20,00,000 per month
Perquisites: For this purpose, perquisites are classified into three categories A, B and C	
Category 'A'	
a) Medical Reimbursement:	
Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.	
b) Bonus:	
As per policies and rules of the Company.	
c) Club:	
Fees of clubs are subject to a maximum of two clubs; admission and life membership fees are not allowed.	
d) Personal Accident Insurance/ Term Life Insurance	
Premium not exceeding ₹ 5000/- p.a.	
e) Performance Linked Incentive	
Based on NRC & Board approval	
Category 'B'	
a) Company's contribution towards Provident Fund, Superannuation Fund.	
b) Gratuity as may be applicable under Payment of Gratuity Act, 1972.	
c) Leave Entitlement: As per Company's Policy	
Category 'C'	
a) The Company shall provide a car with chauffeur. Provisions of the car for use in Company's business will not be considered as perquisites. Use of car for Private purpose shall be billed by the Company.	
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee & approved by the Board.	

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Milind Deshmukh under Section 190 of the Act.

The Nomination and Remuneration Committee of the Company currently comprises only independent directors and the re-appointment and terms of remuneration are approved by the Committee after considering several factors including performance.

The brief resume of Shri Milind Deshmukh, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in "Annexure" to the Notice pursuant to the provisions of

(i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings("SS-2"), issued by the Institute of Company Secretaries of India.

Except the appointee Director and/or his relatives with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary resolution at item no. 4 of this Notice for approval by the shareholders.

ITEM NO. 5**Appointment of Smt. Reena Jha Tripathi (DIN: 11022528) as an Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of directors of the Company in its meeting dated May 15, 2026, had appointed Smt. Reena Jha Tripathi (DIN: 11022528), as an Additional Director in the capacity of Non-executive Independent Director of the Company under Section 161 of the Companies Act, 2013 ("the Act") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Articles of Association of the Company, who shall not be liable to retire by rotation to hold office for the first term of (5) Five years w.e.f. May 15, 2026 subject to approval of the Shareholders on or before August 14, 2026.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Independent Directors requires approval of the members of the Company. Further, in terms of amendment in the SEBI Listing Regulations effective from January 1, 2022, a listed entity shall ensure that approval of Shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Smt. Reena Jha Tripathi (DIN: 11022528), would require approval of Members of the Company on or before August 14, 2026.

The Company has received a Notice under Section 160(1) of the Companies Act, 2013 from Smt. Reena Jha Tripathi in writing proposing her candidature for appointment as an Independent Director of the Company.

Smt. Reena Jha Tripathi has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149 (6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Further she is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of a director by virtue of any SEBI order or any other such authority and has successfully registered herself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

Smt. Reena Jha Tripathi aged 61 years, has rich experience and specialization of over 36 years in tax administration, investigation, litigation and governance. She has held several senior leadership roles, including Principal Chief Commissioner and Chief Commissioner of Income Tax across key regions such as Mumbai, Pune, Nagpur and Uttar Pradesh.

In the opinion of the Board, Smt. Reena Jha Tripathi fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

The Board, based on the recommendation of Nomination and Remuneration Committee, considers that given her skills, integrity, expertise and experience, the association of Smt. Reena Jha Tripathi (DIN: 11022528), would be beneficial to the Company and it is desirable to avail her services as an Independent Director.

She shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board meetings and profit related commission within the limits stipulated under Section 197 read with Schedule V of the Act.

Copy of draft letter of appointment of Smt. Reena Jha Tripathi (DIN: 11022528) setting out the terms and conditions of appointment is available for inspection to the members by sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investor.relations@solargroup.com.

Save and except Smt. Reena Jha Tripathi and her relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, is concerned or interested in the Resolution set out in the Notice. Smt. Reena Jha Tripathi is not related to any other Director or Key Managerial Personnel of the Company.

The brief resume of Smt. Reena Jha Tripathi (DIN: 11022528), nature of her expertise in specific functional areas and names of companies in which she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in Annexure-1 to the Notice pursuant to the provisions of (i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval of the shareholders.

ITEM NO. 6**Alteration of Articles of Association ("AOA") of the Company**

On February 2, 2023, the Securities and Exchange Board of India ("SEBI") had notified Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023. As per the said amendment, Company shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors.

In order to alter the Articles of Association of the Company to comply with the above-mentioned requirements, it is proposed to insert new clause no. 92 w.r.t. the appointment of Nominee Director and the subsequent clauses of Articles of Association to be re-numbered accordingly. The consent of the members of the Company by way of a Special Resolution is required for adoption of a revised set of Articles of Association of the Company. Accordingly, this matter has been placed before the Shareholders for approval.

None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way concerned or interested, financially or otherwise in the special resolution except to the extent of their shareholding in the Company. The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the shareholders.

ITEM NO. 7**Ratification of Cost Auditor's Remuneration for the financial year ending March 31, 2027.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Deepak Khanuja, Partner of M/s Deepak Khanuja & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2026-27 ending on March 31, 2027 at the Audit Fees of ₹ 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2027.

None of the Directors and Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 7 of the Notice for approval of the shareholders.

By order of the Board of Directors
For **Solar Industries India Limited**

Sd/-
(Khushboo A. Pasari)

Company Secretary & Compliance Officer
Membership No.- F7347

Date: May 15, 2026

Place: Nagpur

Registered office:

"Solar" House, 14,
Kachimet, Amravati Road,
Nagpur – 440023 (MH).

CIN: L74999MH1995PLC085878

Email id: investor.relations@solargroup.com

Website: www.solargroup.com

Telephone No. 0712 - 6634567

ANNEXURE TO THE NOTICE NO. 3, 4 & 5

Details of Directors seeking Appointment

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), the particulars of Directors who are proposed to be appointed / reappointed at this 31st Annual General Meeting, are given below:

Sr. No.	Particulars	Details/Information	
1.	Name and DIN of the Director	Shri Milind Deshmukh (DIN: 09256690)	Smt. Reena Jha Tripathi (DIN: 11022528)
2.	Date of Birth	13/07/1965	10/01/1965
3.	Age	61 Years	61 Years
4.	Nationality	Indian	Indian
5.	Qualification	Master's in management studies, Bachelor of Commerce and WIPRO Management Program.	She holds advanced qualifications in law and management with executive programmes at IIM Bangalore, Syracuse University and Hull Business School.
6.	Experience (including expertise in specific functional area/ Brief Resume	Shri Milind Deshmukh has worked in various organizations like Philips (India) Limited as an Area Manager between 1989 to 1993, Wipro Limited as a Regional Manager between 1994 to 1997. He has also worked with Credcom Limited as General Manager – West Africa between 1997 to 2009 before joining Solar Group's African Subsidiaries in 2010 as a Director. He has played a key role in managing operations, expanding business, relationship management with key stakeholders and managing projects in line with organization's strategy and business development in the region. Please refer Company's Website: www.solargroup.com for detailed profile.	Smt. Reena Jha Tripathi holds advanced qualifications in law and management with executive programmes at IIM Bangalore, Syracuse University and Hull Business School. She is a former IRS (Income Tax) officer (1988 batch) who superannuated in January 2025 in the Apex Scale (Level 17), bringing 36+ years of experience across tax administration, investigation and litigation. She has represented the Department before the ITAT, High Courts and the Hon'ble Supreme Court, led major recruitment initiatives at DoPT (Western Zone). Please refer to the Company's Website: www.solargroup.com for detailed profile.
7.	Terms and Conditions of Appointment	As per resolution no. 4 as set out in this notice read with the Statement hereto.	Appointed as an Additional Director (Non-executive Independent Director) the first term of 5 (Five) years with effect from May 15, 2026 subject to the approval of the shareholders of the Company by means of Special Resolution on or before August 14, 2026.
8.	Terms and Conditions of Revision in terms of Remuneration	As per the Proposed Terms of Appointment	N.A.
9.	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance Report.	N.A.
10.	Remuneration proposed to be paid	As per the Proposed Terms of Appointment.	She shall be paid remuneration by way of fee for attending meetings of the Board or Committees there of or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.
11.	Date of First appointment on the Board	July 29, 2021	May 15, 2026
12.	Shareholding in the Company as on date of this AGM Notice	Nil	Nil
13.	Relationship with other Directors/ Key Managerial Personnel inter-se	Shri Milind Deshmukh is not related to any Director of the Company.	Smt. Reena Jha Tripathi is not related to any Director of the Company.
14.	Number of meetings of the Board attended during the financial year (FY 2025-26)	4 (four) out of 4 (four) Board Meetings during the financial year 2025-26.	N.A.
15.	Directorships of other Boards (Listed/ Unlisted) as on date of this AGM Notice	Solar Explochem Limited	UAB Web 3 Utility IT Services India Private Limited
16.	Chairman/ Member in the committees of Board of other Listed Companies in which he / she is the Director	Nil	Nil
17.	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	Nil	Nil



(CIN: L74999MH1995PLC085878)

Registered Office: "Solar" House 14, Kachimet, Amravati Road, Nagpur-440023 (M.S)

Tel: 0712-6634555/67 | Fax: 0712-6634578/79

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