



Premier Explosives Limited



September 05, 2023

To
The General Manager
Department of Corporate Relations
BSE Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001

To
The Vice President,
Listing Department
**The National Stock Exchange of India
Limited**
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip code: 526247

Scrip code: PREMEXPLN

Dear Sir,

Sub: Submission of 43rd Annual Report of the Company for the financial year 2022-23

This is further to our letter dated September 01, 2023 wherein it was informed that the 43rd Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, September 29, 2023 at 11:30 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM).

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23.

The Annual Report for the financial year 2022-23 including Notice of the AGM is being sent to the shareholders electronically who have registered their email IDs. The same is also available on the Company's Website at

Brief details of AGM are as under:

Date & Time	Friday, 29 th September, 2023 at 11:30 A.M (IST)
Mode	Video Conference (VC) / Other Audio Visual Means (OAVM)
Cut-off Date	22 nd September, 2023
e-voting start date & time	25 th September, 2023 at 09:00 A.M (IST)
e-voting end date & time	28 th September, 2023 at 05:00 P.M. (IST)

Kindly take the above on record.

Thanking you,

Yours faithfully,
For Premier Explosives Limited

K. Jhansi Laxmi
Company Secretary
Encl:a/a

Regd. Office : "Premier House", # 11, Ishaq Colony, Near AOC Centre, Secunderabad - 500 015. (T.S) INDIA

Fax : Chairman: 040-6614 6821 MD : 040-6614 6839 Project : 040-6614 6841 Marketing : 040-6614 6852

Ph : 040-66146801 to 05, Fax : Purchase : 040-2784 3431, E-mail :

www.pelgel.com

CIN : L24110TG1980PLC002633

investors@pelgel.com



43rd
Annual
Report
2022-23



Igniting Flares
Propelling Excellence

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/images of our facilities, products or of any such nature/kind.

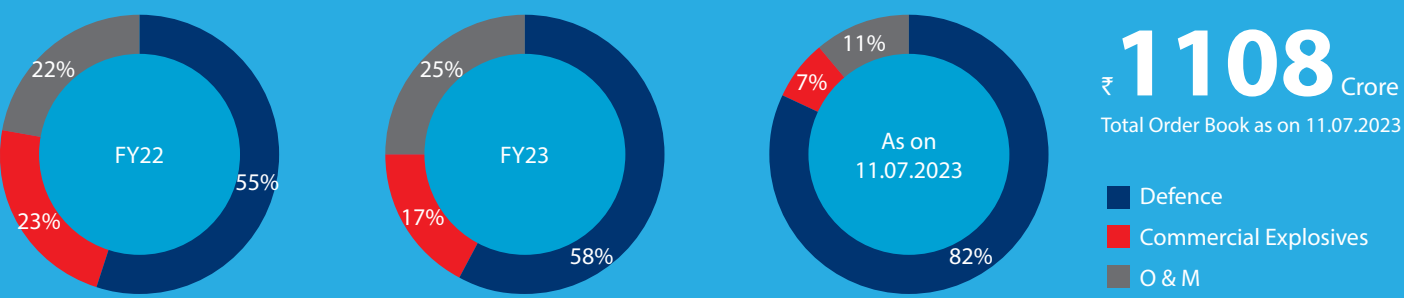
LONG-TERM STRATEGIES DELIVERING RESULTS

FY23 results are a testimony of how we can sustain growth in the long term with our unique product development and manufacturing capabilities in defence and commercial explosives. Over the years we are the most successful company in India to develop high-energy materials in-house as well as through ToTs. In recent years our products have also gained traction in the international markets.

With strategic foresight, Premier Explosives undertook a pivotal approach to bolster their revenue through defence supplies. Over the years, this strategy has borne fruit as evidenced by the notable surge in the proportion of defence supplies within their order book and overall revenue. By catering to the exigent needs of the defence sector, Premier Explosives not only fortified its financial prospects but also solidified its position as a trusted partner in bolstering national security. This astute move showcases the company’s adaptability and commitment to diversification, positioning the company as a prime example that effectively harnessed its expertise to thrive in a niche market.



Order Book



ABOUT US

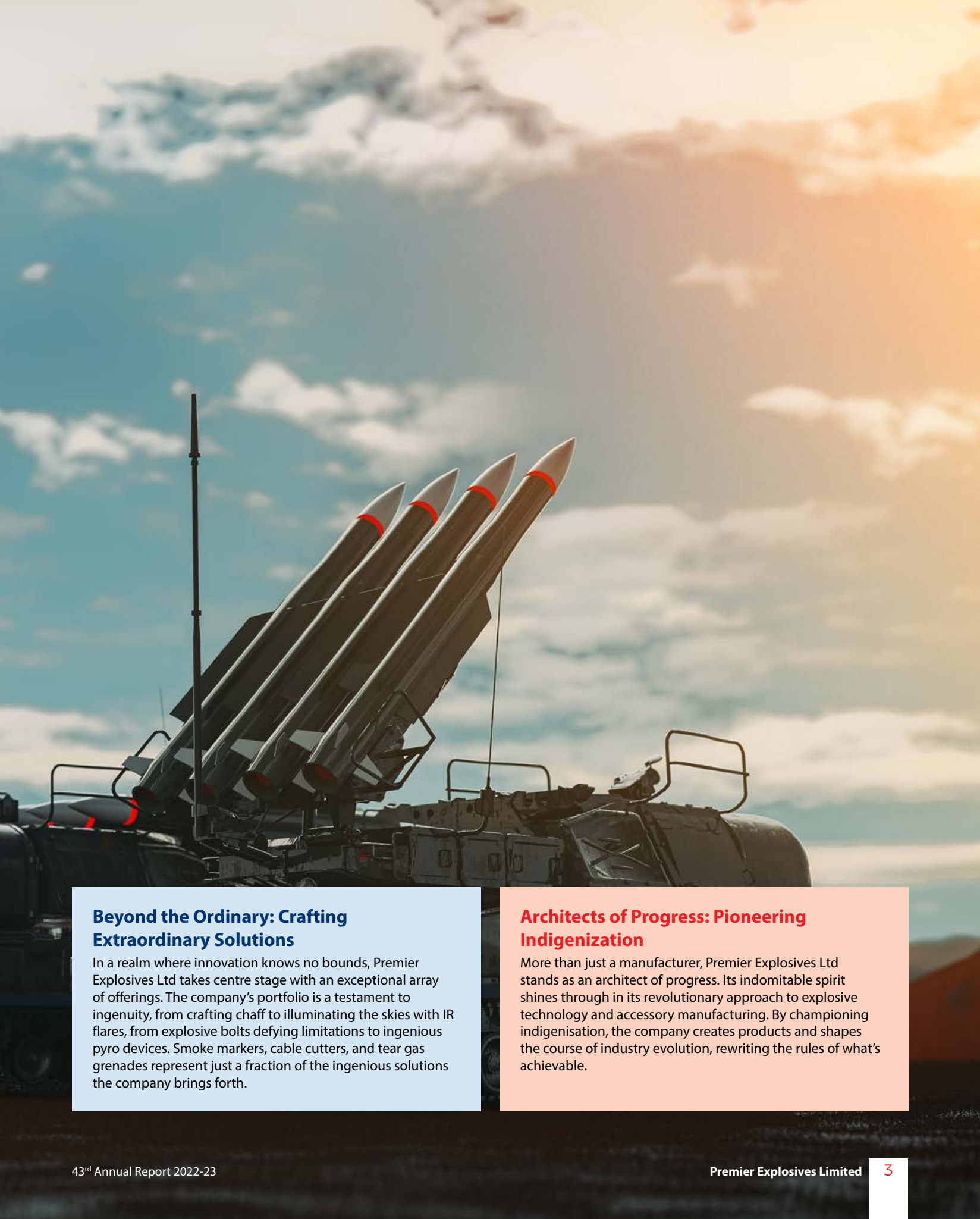
Premier Explosives Ltd isn't just a company; it's a symphony composed of determination, vision, and audacity. With every creation, it orchestrates a chorus of excellence that resonates across industries, nations, and beyond. As you witness its journey, you're not just observing an enterprise but becoming part of a legacy that shapes destinies, fosters exploration, and safeguards with fortitude. The story of Premier Explosives Ltd isn't confined to its products; it's a saga of daring exploration, intellectual brilliance, and an unwavering spirit that defies limits. In the crucible of innovation, the company crafts tools that define the future, ignite dreams and transform the landscape of progress. It's more than a narrative.

Forging the Future of High-Energy Creations

Dedicated to the art of crafting high-energy materials and allied products, Premier Explosives Ltd emerges as a trailblazer in industries ranging from defence to space, mining to infrastructure. With unyielding determination, the company propels its ventures to new heights, consistently pushing the boundaries of possibility.

Fuelling the Skies and Beyond: A Stellar Portfolio

Premier Explosives Ltd's journey into excellence takes flight as it masters the intricate science of creating solid propellants for rockets like Pinaka, and empowers tactical marvels such as Astra, Akash, LRSAM/MRSAM/QRSA. The company's prowess extends even further, with contributions to the awe-inspiring BrahMos, Agni, Veda, and the innovative strap-on motors that drive satellite launch vehicles.



Beyond the Ordinary: Crafting Extraordinary Solutions

In a realm where innovation knows no bounds, Premier Explosives Ltd takes centre stage with an exceptional array of offerings. The company's portfolio is a testament to ingenuity, from crafting chaff to illuminating the skies with IR flares, from explosive bolts defying limitations to ingenious pyro devices. Smoke markers, cable cutters, and tear gas grenades represent just a fraction of the ingenious solutions the company brings forth.

Architects of Progress: Pioneering Indigenization

More than just a manufacturer, Premier Explosives Ltd stands as an architect of progress. Its indomitable spirit shines through in its revolutionary approach to explosive technology and accessory manufacturing. By championing indigenisation, the company creates products and shapes the course of industry evolution, rewriting the rules of what's achievable.

NURTURING AND HARNESSING INTELLECTUAL PROWESS

At the heart of Premier Explosives Ltd's enduring success lies its steadfast commitment to nurturing and harnessing intellectual prowess. The company's journey in crafting high-energy materials for defence and specialised domains is illuminated by its robust portfolio of intellectual properties (IP).

Pioneers of Product Innovation

Premier Explosives Ltd stands as a beacon of ingenuity, as exemplified by its remarkable track record in product development. Guided by rigorous research and development (R&D), the company consistently pioneers new horizons, creating solutions that redefine possibilities. These groundbreaking creations stem from the company's in-house R&D and are enriched through fruitful collaborations with leading defence research institutions.

A Reserve of Research Excellence

The accolades earned by Premier Explosives Ltd's R&D center speak volumes about its intellectual acumen. Endorsed by the Department of Scientific and Industrial Research (DSIR), Government of India, as an established research centre, the company's facility serves as a beacon of innovation. Furthermore, its stature as a recognised research base for Ph.D. work by Gulbarga University, Karnataka, underscores its commitment to nurturing the next generation of intellectual giants.

Precision Meets Accreditation

In intellectual rigour, Premier Explosives Ltd's laboratory is more than just a space—it's a bastion of precision. Accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), the laboratory stands as a testament to the company's unwavering dedication to meticulousness and accuracy in its pursuits.

Harmonising Brilliance through Collaborations

Premier Explosives Ltd understands that brilliance thrives when minds converge. To this end, the company has forged impactful collaborations with esteemed institutions such as IIT Madras and BITS Pilani, Hyderabad. These partnerships serve as crucibles for cutting-edge research and development in high-energy materials, further amplifying the company's intellectual firepower.

Empowering Missions, Fuelling Dreams

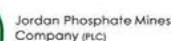
From Pyrogen Igniters for strategic missiles to Smoke Propellants designed for precision, from Sledge Rocket Motors that propel innovation to Air Target Imitator Rockets that challenge the skies, Premier Explosives Ltd's creations exemplify the harmonious convergence of intellect and application.

A Global Canvas for Innovation

Premier Explosives Ltd's intellectual reach transcends borders. With products meticulously designed and developed for exports, the company's influence extends to global arenas, showcasing its intellectual prowess on an international stage.

Our Marquee Clients

Defence and Aerospace Client



Mining and Infrastructure Clients



Vision

We envisage to be a global leader in our segment through relentless research and development of knowledge-based products for defence applications, mines, infrastructure and allied sectors



Mission

Become a global player in quality formulations of high energy materials in a safe, green and economical way through an employee empowered organization

KEY HIGHLIGHTS

Dispatched
the first export
shipment of
rocket motors
for the overseas
entity

The only
qualified Indian
company for
counter
measures

7
manufacturing
facilities

820+
trained team

Strong order book of
₹ **1,108** crores*

The only Indian
company which is
into export of fully
assembled rocket
motors

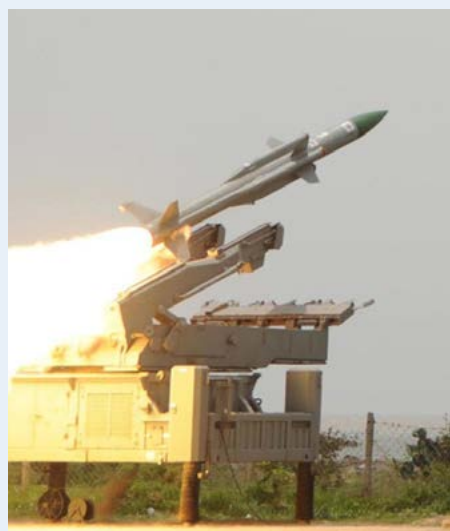
* As on 11.07.2023

IGNITING INDIA'S MISSILE MAJESTY: PREMIER EXPLOSIVES LTD'S ROLE IN THE MISSILE PROGRAMS

In the annals of India's monumental missile programs, Premier Explosives Ltd emerges as a pivotal force, a masterful contributor in shaping the nation's defence prowess. The company's indomitable commitment to excellence resonates through its role in some of India's most prestigious missile endeavours, a testament to its unwavering dedication and technical brilliance.

Empowering Akash: A Skyward Triumph

As the skies bear witness, Premier Explosives Ltd plays an integral role in the Akash missile program. Designed for tactical supremacy, the Akash Surface-to-Air missile stands as a sentinel of defence. Premier Explosives Ltd fuels this marvel with its production, lending the thrust that powers the missile's journey.



MRSAM: Propelling Tactical Supremacy

Premier Explosives Ltd's prowess is unassailable in the realm of Tactical Surface-to-Air might. The Medium Range Surface-to-Air Missile (MRSAM) program, an embodiment of precision, bears the stamp of excellence through its collaboration with Premier Explosives Ltd since 2019. With the DRDO's and BDL's might behind it, this collaboration propels the nation's defence into new dimensions.



Agni: Forging Ballistic Brilliance

The Agni missile series, symbolising ballistic supremacy, finds its fiery genesis in the Advanced Systems Laboratory. Premier Explosives Ltd is an essential player in this production. With each Agni missile, the nation's security receives an impetus, a testament to Premier Explosives Ltd's role in shaping India's strategic prowess.



Brahmos: Where Sky Meets Sea and Land

Premier Explosives Ltd's influence extends beyond the skies, resonating in the waves and on the land through the BrahMos missile program. Whether in air-launched anti-ship missions or land attacks, Premier Explosives Ltd's production prowess, in collaboration with HEMRL, infuses each missile with unyielding power. As technology transfers continue to unfold, Premier Explosives Ltd shapes the course of naval and land defence.



LRSAM: Navigating the Waves of Defense

On the maritime front, Premier Explosives Ltd's contribution is unmistakable. The Long Range Surface-to-Air Missile (LRSAM) program, a bastion of tactical supremacy, owes its capabilities to Premier Explosives Ltd's dedication. With a steadfast commitment to supplying 100% of the solid propellant requirements, Premier Explosives Ltd propels naval defence to new horizons.



Astra: Soaring Air-to-Air Excellence

In the realm of air-to-air supremacy, the Astra missile program takes flight under the watchful eye of DRDO. Premier Explosives Ltd's role in this venture is intrinsic, providing 100% of the solid propellant requirements that empower the Indian Air Force's aerial prowess.



CHAIRMAN'S MESSAGE



Dear Shareholders,

It is my pleasure and pride to present to you the Annual Report of the Company for the financial year ended 31st March 2023, through which I shall communicate to you the happenings in the Indian economy and its influence on the defence sector, as well as a brief spotlight on the global scenario.

Before I commence the narration, it is with great pride I announce that Premier Explosives Limited has won defence orders from the Central Government worth approximately Rs. 629.05 crores. The Indian Air Force, Ministry of Defence, has placed one order for the supply of chaffs worth Rs 292.11 crores (including GST), while another order is for the supply of flares worth Rs. 260.15 crores and Rs.76.79 crores (including GST). As per the government orders, all these three orders have to be executed within a tenure of 12 months. During the year, the Company has also received regular production orders for Rocket motors from our overseas customers, after successfully developing various new products.

Indian Economy and the Defence Sector

Defence is a sector with high entry barrier. A critical and strategic industry encompassing various aspects of national security, including military capabilities, technology development and manufacturing, it also

significantly safeguards the country's borders, ensuring regional stability and contributing to its overall security posture.

The defence sector in India is a dynamic and evolving field, influenced by technological advancements, geopolitical developments and the country's strategic objectives. The Indian government and defence establishments continue to work toward enhancing the country's defence capabilities, achieving self-sufficiency in manufacturing and securing its national interests.

While a strong economy provides essential support to the defence sector, a well-managed and efficient defence sector can also contribute to economic growth. The defence industry can drive technological innovation, job creation and export earnings, thereby contributing to the country's overall economic development.

The Prime Minister of India has recently declared in the Aero India show, that apart from being a potential defence partner and a global powerhouse, India would soon serve as the biggest manufacturing base in the world. As a means to this end, the Central Government of India has a vision of fuelling the total turnover of USD 25 billion and exports to reach USD 5 billion by 2024-25. 25% of defence R&D budget has been reserved for private industry and start-ups which will pave the way for the innovation of new defence technologies in India.

With defence equipment already being exported to almost 75 countries as on date, India is well charted on this path, opening greater opportunities for our sector.

In another strategic move, India recently concluded a road map for defence industry cooperation with USA, which would deepen the ties between the two countries and reinforce India's defence manufacturing ambitions. In addition, it would act as a counterweight to China's supremacy in this sector and reduce India's dependency on Russia for defence imports. The collaboration would enable technology cooperation and co-production in air combat, land mobility systems, intelligence, surveillance and reconnaissance, munitions, and the undersea domain.

In the context of PEL

PEL has been making continuous efforts to strengthen the Intellectual Property for the manufacture of high-energy material in the sectors of defence and industrial mining.

Since it operates the high-energy materials processing plants on GOCO (Government Owned and Company Operated) basis, the demand for the products of the Company is highly receptive to policies. The demand is expected to escalate owing to the Government's increasing budgetary allocation for defence. The Government's list of imports to be banned works in favour of the Company because it encourages domestic production. On the other hand, authorising exports of certain products also offers growth prospects for PEL. The recent order from the Indian Airforce Ministry of Defence is testimony to the capabilities of the Company, its robust performance over the past four decades and its strong order book.

India, one of the largest mining and industrial explosives market and the second largest coal producer, offers tremendous opportunities to PEL. With a direct connection to the level of industrialisation activities and construction and infrastructure projects in the nation, the demand for explosives has been on the rise, which endows benefits to PEL. Manufacturing a diverse range of explosives with indigenous technology and technology transfer, PEL is able to keep itself on a high growth trajectory.

Closing Remarks

I conclude with a token of gratitude to all the shareholders, board members, employees, customers, suppliers, banks, regulatory bodies, governments and all stakeholders for providing a robust support system for the Company, without which the growth and progress would never be possible.

Regards,

Dr A N Gupta
Non-executive Chairman

REVIEW BY MANAGING DIRECTOR



Dear Shareholders,

India places a great emphasis on 'Atmanirbhar Bharat' or 'Make in India' initiative, especially applicable to the defence sector. The Indian defence sector is the second largest in the world and the Government of India is ready to provide the required push to the establishment and development of the indigenous manufacturing sector backed by a sustained research and development ecosystem.

India accounts for 11% of the total arms sales globally and is one of the largest arms importers in the world. Domestic manufacture of the products will help reach self-reliance in National Security in addition to providing employment opportunities. Any product locally produced reduces external dependency for its maintenance and upgrade thus lessening its total cost significantly. The ongoing global geo political turmoil has also emphasised the importance of going local rather than global.

All factors considered, the Government of India has committed to procure defence equipment from domestic industry and this has enhanced the probability of defence indigenisation levels going up from 35-40% to 70-75%. The planned Defence Capital Acquisitions are expected to amount to Rs.15 lakh crores over the next decade. 75% of the capital procurement budget, which is approximately Rs. 1 lakh crores, is expected to be allocated for the domestic

industry in 2023-24, which is a level up from 68% in 2022-23. Prerequisites for reaching the targets and enabling domestic defence production are essentially a large technical manpower base and improving infrastructure and logistics.

The industry scenario has been beneficial, driving business growth for Premier.

Operational Highlights

The Company which focussed on the industrial explosives segment over the years, has gradually shifted focus towards the defence explosives segment.

The Company is the only qualified Indian company for counter measures and also only Company exporting fully assembled rocket motors. PEL dispatched the first export shipment of Rocket Motors for the overseas entity in February 2023. The fulfilment of rocket motor casting related orders for Larsen & Toubro Ltd., Bharat Dynamics Ltd., and Indian Space Research Organisation is subject to the availability of free issue materials and the supply and financing will be handled on a pro-rata basis.

Premier received exposure to advanced processes in the manufacture of solid propellants at Advance Systems Laboratory (ASL) at SFC, Jagdalpur and at SPP, SHAR at ISRO. It also successfully executed supply order from Vikram Sarabhai Space Centre (VSSC) for PSOM-XL strap-on motors for PSLV.

Premier started production of warheads, intelligent mines, Ammunition and HE Payloads for UAVs at Katepally facility.

Financial Highlights

Revenue stood at Rs. 2020 million, exhibiting a growth of 1.4% for FY2023 over FY2022. There was improvement of EBIDTA margin of 12.78% in FY2023 as against 11.19% in FY2022. Cash profit stood at Rs. 165 million, whereas operating profit was placed at Rs. 258.2 million.

The Company had a healthy order book of Rs. 5209 million, about 2.58 times of FY2023 revenue. Total order book in Explosives segment stood at Rs. 886 million (17% of total revenue), Defence stood at Rs. 3021 million (58%) and Service segment at Rs.

1302 million (25%). Profit after tax (PAT) grew 19% y-o-y to Rs. 66.9 million. The Company has gradually shifted focus towards defence projects after years of dominance in the explosives segment.

FY2024 – Looking Ahead

PEL is working towards securing further orders in the Defence and Explosive segments and envisages leadership position in High Energy Materials for defence and space. Space is a big area of opportunity in the next three to four years and the Company is aiming to capture a good amount of revenue from this industry. The Company has an order from ISRO and L & T for strap-on motors, with a planned execution timeline of 3 years. The goals of developing low-cost processes and techniques for production of industrial explosives as well as that of developing capacity for production of Ammunition to meet the 'Atmanirbhar Bharat' vision of Prime Minister is a fundamental part of the long-term vision of the Company.

Premier is on the path of high growth trajectory and with all the right ingredients, it is confident that newer heights would be scaled in the coming years.

Regards,

T V Chowdary
Managing Director

MANUFACTURING CAPABILITIES

The company has two units under defence and explosive manufacturing. The first unit at Peddakundukur and the second unit at Katepally – both the units located in the State of Telangana. In addition, The company has six bulk explosive manufacturing locations spread across MP, Maharastra, Telangana and Tamil Nadu.



Bulk Explosives

- Singrauli (Madhya Pradesh)
- Chandrapur (Maharashtra)
- Godavari Khani (Telangana)
- Manuguru (Telangana)
- Neyveli (Tamil Nadu)

Defence, Space & Explosives Unit Peddakandukur

- Detonator, Detonating fuse,
- Packaged Explosives,
- Pyrodevices, Counter measures and propellants
- Product Research &
- Special Products Divisions

Katepally (Telangana)

- Solid propellants
- Rocket motors and missiles
- HMX/RDX
- Ammunition
- Mines
- Warheads
- Bombs
- Flares, etc.



CAPABILITY MATRIX

Explosives

PETN
CL -20
HNS -IV
HMX, RDX, their compounds,
Comp B, PBX, PBXN

Industrial Explosives

Detonators
Detonating fuse
Cast boosters
Packaged explosives
Bulk explosives
Igniters
Nitrate mixture
SME (slurry/emulsion)

Pyro Devices & Initiators

Pyro cartridges
Pyro actuators
IR flares/Smoke flares
Specialized squibs
Smoke/flash generators
Pyrogen Igniters
Boron and Zirconium
based compounds

Propellants & Rocket Motors

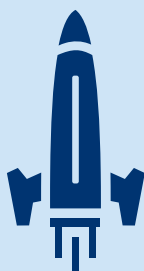
Air target imitators
Case-bonded propellant, Motors
Fuel rich propellant grains
Free standing propellant grains
Gas generators
Strap-on motors for Space application

Others

Ammonium Perchlorate
Lacromatic compositions
Thermal insulation for rocket motors
Explosives for defence
Mines, bombs and warheads
Ammunition, Fuzes

Counter-Measures

Chaffs
Flares



First company in India to have deployed indigenous technology for manufacturing explosives

First company in the world to produce safer and greener NHN detonators on commercial scale replacing ASA detonators

First company in India to indigenously manufacture Countermeasures for Indian defence

First Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes.

CORPORATE INFORMATION

Board of Directors

Dr. A. N. Gupta
Chairman

T.V. Chowdary
Managing Director

Y. Durga Prasad Rao
Director Operations

Dr. (Mrs) Kailash Gupta
Non-Executive Director

Shonika Prasad
Non-Executive Director

P.R. Tripathi
Independent Director

Anil Kumar Mehta
Independent Director

K. Rama Rao
Independent Director

Dr. A. Venkataraman
Independent Director

Lt.Gen P.R. Kumar (Retd)
Independent Director

Company Secretary & Compliance Officer

K. Jhansi Laxmi

Chief Financial Officer

Srihari Pakalapati

Audit Committee

P.R. Tripathi (Chairman)

Anil Kumar Mehta

K. Rama Rao

Dr. A. N. Gupta

Stakeholders Relationship Committee

Anil Kumar Mehta (Chairman)

T.V. Chowdary

Dr. (Mrs.) Kailash Gupta

Nomination & Remuneration Committee

P.R. Tripathi (Chairman)

Anil Kumar Mehta

K. Rama Rao

Dr. A. N. Gupta

Corporate Social Responsibility Committee

P.R. Tripathi (Chairman)

Dr. (Mrs.) Kailash Gupta

T.V. Chowdary

Independent Auditors

Majeti & Co
Chartered Accountants, Hyderabad

Cost Auditors

S. S. Zanwar & Associates
Cost Accountants, Hyderabad

Secretarial Auditors

K.V.Chalama Reddy
Company Secretary, Hyderabad

Bankers

State Bank of India
HDFC Bank
Yes Bank

Registrars and Share Transfer Agents

KFin Technologies Limited
Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032

Corporate Identification Number

L24 110TG 1980 PLC 002633

Listing

BSE & NSE

Registered office

Premier Explosives Limited
Premier House, 11 Ishaq Colony,
Near AOC Centre,
Secunderabad – 500015,
Telangana, India
Phone: 040 66146801 to 5,
Email: investors@pelgel.com
www.pelgel.com

Investor Relations Agency

Stellar IR Advisors Pvt. Ltd.
B-707, Kanakia Wall Street,
Chakala, Andheri Kurla Road,
Andheri (East), Mumbai 400 093

People

Premier's workforce consists of about 822 number of people across its locations

Sectors we serve

Company's products are consumed by defence and space, mining, and infrastructure sectors

O&M Services

ISRO, Sriharikota, AP

Defence, Space & Explosives Unit Peddakandukur

Detonator, Detonating fuse,
Packaged Explosives,
Pyrodevices, Counter measures and
propellants
Product Research &
Special Products Divisions

Katepally (Telangana)

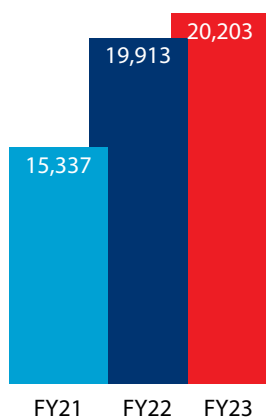
Solid propellants
Rocket motors and missiles
HMX/RDX
Ammunition
Mines
Warheads
Bombs
Flares, etc.

Bulk explosives divisions

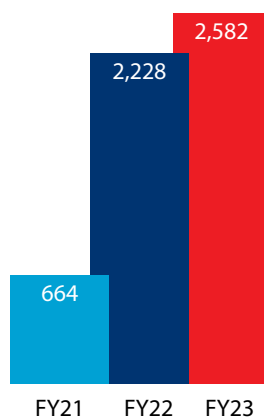
Singrauli (Madhya Pradesh)
Chandrapur (Maharashtra)
Godavarikhani (Telangana)
Manuguru (Telangana)
Neyveli (Tamil Nadu)

PERFORMANCE HIGHLIGHTS

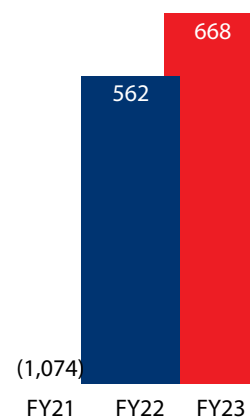
Operating Revenue (₹ in lakhs)



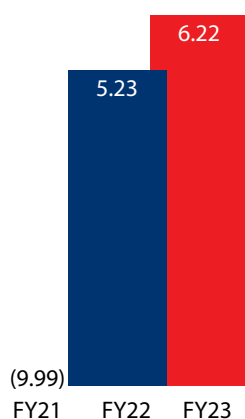
EBIDTA (₹ in lakhs)



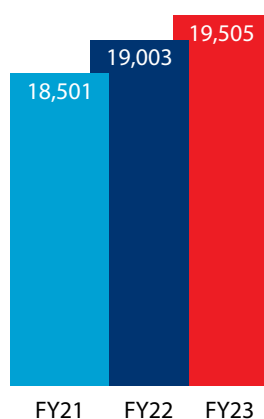
PAT (₹ in lakhs)



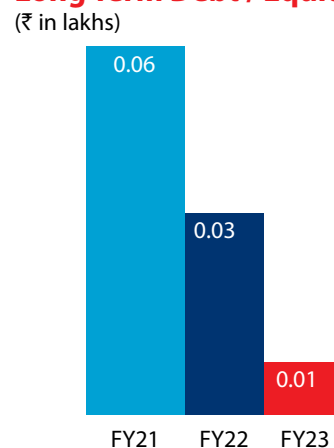
Basic EPS (₹)



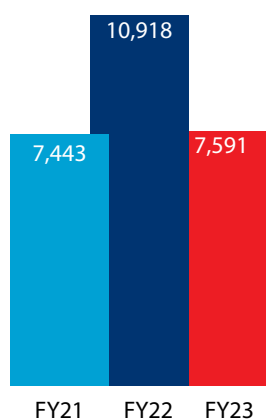
Networth (₹ in lakhs)



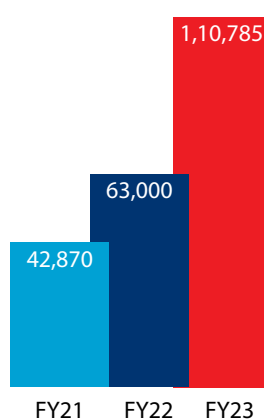
Long Term Debt / Equity (Ratio)



Revenue - Defence (₹ in lakhs)



Order Book (₹ in lakhs)



10 YEARS AT A GLANCE

Statement of Profit and Loss	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operating revenue (net of excise duty)	20,203.01	19,912.77	15,337.19	15,650.80	24,093.35	26,590.85	23,071.62	18,498.65	14,949.16	14,540.38
Other income	215.66	189.68	87.15	140.00	259.03	220.49	66.82	46.45	74.04	140.67
Total revenue (net)	20,418.67	20,102.45	15,424.34	15,790.80	24,352.38	26,811.34	23,138.44	18,545.10	15,023.20	14,681.05
EBIDTA	2,581.54	2,228.32	664.10	(516.70)	2,343.80	2,001.64	2,839.38	1,760.73	1,254.34	1,626.20
Other income	215.66	189.68	87.15	140.00	259.03	220.49	66.82	46.45	74.04	140.67
Depreciation	(982.25)	(937.48)	(597.00)	(496.98)	(418.91)	(363.35)	(346.42)	(332.39)	(330.07)	(235.22)
Finance costs	(919.26)	(750.76)	(735.30)	(577.26)	(552.27)	(514.84)	(437.33)	(374.49)	(236.08)	(236.15)
Profit before exceptional items and tax	895.69	729.76	(581.05)	(1,450.94)	1,631.65	1,343.94	2,122.45	1,100.30	762.23	1,295.50
Exceptional items	-	-	(908.01)	-	-	-	58.15	(269.46)	-	-
Profit before tax	895.69	729.76	(1,489.06)	(1,450.94)	1,631.65	1,343.94	2,180.60	830.84	762.23	1,295.50
Tax	-227.20	-167.75	414.59	492.70	(459.10)	(470.53)	(705.51)	(263.33)	(230.18)	(374.19)
Profit for the year	668.49	562.01	(1,074.47)	(958.24)	1,172.55	873.41	1,475.09	567.51	532.05	921.31
Other comprehensive income (net)	-5.01	-59.98	(71.40)	17.53	(81.32)	(78.76)	-	-	-	-
Total comprehensive income	663.48	502.03	(1,145.87)	(940.71)	1,091.23	794.65	1,475.09	567.51	532.05	921.31
EBIDTA / Operating revenue	12.8%	11.2%	4.3%	-3.3%	9.7%	7.5%	12.3%	9.5%	8.4%	11.2%
PBT / Total revenue	4.4%	3.6%	-9.7%	-9.2%	6.7%	5.0%	9.4%	4.5%	5.1%	8.8%
PAT / Total revenue	3.3%	2.8%	-7.0%	-6.1%	4.8%	3.3%	6.4%	3.1%	3.5%	6.3%

Balance sheet	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Non-current assets										
Fixed assets and Intangible assets	24,932.85	23,199.07	22,262.59	14,828.22	14,516.27	12,839.47	12,531.64	6,358.83	6,188.84	5,790.31
Depreciation and Amortisation	-6,070.73	(5,237.57)	(4,346.07)	(3,763.01)	(3,268.54)	(2,849.93)	(2,495.60)	(2,413.78)	(2,090.47)	(1,675.68)
Capital work in progress	181.50	369.82	175.65	6,169.62	3,482.52	1,579.17	368.96	241.82	41.40	166.17
	19,043.62	18,331.32	18,092.17	17,234.83	14,730.25	11,568.71	10,405.00	4,186.87	4,139.77	4,280.80
Right of Use asset (Leasehold land)*	75.31	76.12	76.93	77.74						
Investment property	8.02	8.02	8.02	8.02	8.02	8.02	8.02			
Investments	521.00	531.00	531.00	531.00	531.00	531.00	526.00	525.00	520.00	520.00
Other non-current assets	519.78	1,020.48	729.55	1,012.61	1,087.32	730.20	630.23	511.46	329.93	407.87
Current assets	15,731.45	12,374.05	9,974.59	11,763.65	13,233.78	17,779.77	10,482.90	7,745.98	6,336.75	5,524.17
Total assets	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45	10,732.84
Share capital	1075.22	1,075.22	1,075.22	1,075.22	1,075.22	1,063.71	885.86	885.86	885.86	835.86
Other equity / Reserves and surplus	18,429.92	17,927.72	17,425.69	18,571.56	19,862.25	18,613.11	12,838.51	5,659.27	5,305.00	4,809.80
Share warrants	-	-	-	-	-	148.80	-	-	-	77.21
Networth	19,505.14	19,002.94	18,500.91	19,646.78	20,937.47	19,825.62	13,724.37	6,545.13	6,190.86	5,722.87
Non-current liabilities										
Financial liabilities	237.58	516.65	1,031.05	405.32	660.39	818.76	704.72	105.20	138.47	390.30
Provisions	701.20	532.71	510.29	391.14	312.24	269.38	312.78	233.66	177.55	124.80
Deferred tax liability	843.20	684.93	514.09	924.34	1,410.28	1,354.17	339.01	408.50	587.27	638.59
Current liabilities	14,612.06	11,603.76	8,855.92	9,260.27	6,269.99	8,349.77	6,971.27	5,676.82	4,232.30	3,856.28
Equity and liabilities	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45	10,732.84
Return on capital employed	5.50%	4.65%	-4.1%	-4.4%	9.4%	8.3%	17.4%	16.5%	14.1%	22.3%
Return on networth	3.4%	2.6%	-6.2%	-4.8%	5.2%	4.0%	10.7%	8.7%	8.6%	16.1%
Long term Debt / Equity	0.01	0.03	0.06	0.02	0.03	0.04	0.05	0.02	0.02	0.07
Current ratio	1.08	1.07	1.13	1.27	2.11	2.13	1.50	1.36	1.50	1.43

Per share	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Book value per share - ₹	181.41	176.73	172.07	182.72	194.73	184.98	154.93	73.88	69.89	67.54
Earnings per share - ₹	6.22	5.23	(9.99)	(8.91)	11.00	8.42	16.65	6.41	6.10	11.25
Dividend per share - ₹	1.70	1.50	-	-	2.70	2.50	3.00	2.00	2.00	2.70
No. of shareholders	9991	9,311	9,386	9,707	10,428	10,258	9,715	9,085	8,811	5,895

Note: Figures from 2017-18 are as per Ind AS

* new classification from 2019-20

BOARD OF DIRECTORS



Dr. A.N.Gupta
Chairman



T V Chowdary
Managing Director



Y Durga Prasad Rao
Director (Operations)



Dr. (Mrs.) Kailash Gupta
Non-Executive Director



Shonika Prasad
Non-Executive Director



P R Tripathi
Independent Director



Anil Kumar Mehta
Independent Director



K.Ramarao
Independent Director



Dr. A Venkataraman
Independent Director



Lt.Gen.P R Kumar (Retd.)
Independent Director

Dr. A.N.Gupta

Chairman

Having earned his Master's degree in mining engineering. He has actively involved himself in product development projects of defence, new products and processes. A recipient of 'Pickering and ISM Medal' from, Indian School of Mines, Dhanbad and Gold Medalist from Mining Geological and Metallurgical Institute of India. He is a Member of Society of Explosives Engineers, U.S.A. and was Chairman of Explosives Development Council constituted by Government of India and Chairman of Explosives Manufacturers Association of India. He has been given Asia Pacific Entrepreneurship Award 2015 in the Outstanding Category. He authored various articles about high energy materials including "Scaling up of CL-20 production to pilot plant scale" presented at the proceedings of National Symposium on Trends in Explosive Technology. He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology.

T V Chowdary

Managing Director

A chemical engineer with over 41 years of experience in production of explosives, detonators, petrochemicals, coal tar chemicals, solid propellants and mushrooms.

Y. Durga Prasad Rao

Director Operations

A mechanical engineer having 36 years experience in manufacture of explosives, propellants, refractories and also in factory management

Dr. (Mrs.) Kailash Gupta

Non-Executive Director

She is a doctor by profession and also has rich experience in the industry. She is involved in various social and philanthropic activities especially in healthcare.

Shonika Prasad

Non-Executive Director

Mrs. Shonika Prasad holds a Bachelor's degree in Commerce and MBA with specialization in Finance and International Trade from ICBM - School of Business Excellence, Hyderabad.

P R Tripathi

Independent Director

Former CMD of NMDC Limited, holding fellowships of Institution of Engineers (India) and AIMA. He has been involved in the development of mineral industry of India. He is also former President of Federation of Indian Mineral Industries (FIMI).

Anil Kumar Mehta

Independent Director

An FCA, he was a senior partner in M.Bhaskara Rao & Co., C A, having rich experience in auditing, taxation, company law, project finance and other allied matters.

K Ramarao

Independent Director

36 years in technology development, he retired as Associate Director of DRDL. Was responsible for the design and development of all IGDMP Projects as well as for setting up of infrastructure in the field of missile structure. Received Sir Mokshagundam Visweswarayya Award for the Best Engineer from the Institute of Engineers, Kolkata; Best Invention Award from NRDC, Govt of India, Best Scientist of DRDO and many others. He holds a Masters in Aeronautics from Cranfield, U.K

Dr. A Venkataraman

Independent Director

He is a doctorate in Chemistry and is working as Professor in Gulbarga University. His main fields of interests are materials chemistry, nanomaterials chemistry, polymer nano composites, etc. He was awarded Indo-Hungarian Fellowship for research at Hungarian Institution by UGC New Delhi in 2006. He received Young Scientist Award in inorganic Chemistry in 1993 from Indian Council of Chemists. He is a Commonwealth Fellow at Manchester Materials Science Center, Manchester, awarded by the Commonwealth High Commission, UK in 1995. He has authored around 100 articles and research papers in reputed national and international research journals. He has three patents filed to his credit.

Lt. Gen P.R. Kumar (Retd.)

Independent Director

He is a Graduate from Staff College, Wellington and Alumnus of National Defence Academy, Khadakwasla. Retired as Lieutenant General from the services of Indian Army in 2015. He was commissioned into the regiment of artillery in 1976. He has attended prestigious Higher Command & National Defence College Courses. During his long and illustrious career, he held a variety of Command, Staff and Instructional assignments. He commanded the prestigious Strike Corps, on the South Western Front, before taking over as DGMO.

SENIOR MANAGEMENT



T V Chowdary
Managing Director



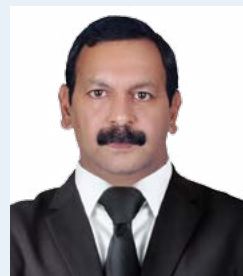
Y. Durga Prasad Rao
Director Operations



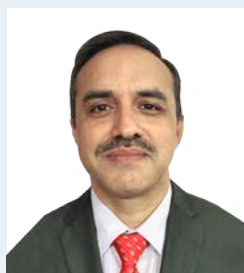
Srihari Pakalapati
Chief Financial Officer



K. Jhansi Laxmi
Company Secretary



Col Shailendra Pathak (Retd)
President Marketing



Gangraj Tadinada
Vice President Marketing



Cdr. Indraneel Deb (Retd)
Vice President
(Defence Operations)



S Janardhan
Vice President (Production)

CORPORATE SOCIAL RESPONSIBILITY

Premier Explosives continues its unwavering support for HelpAge's Mobile Healthcare Program, a vital initiative delivering sustainable healthcare solutions to the elderly population in Telangana. PEL is actively bolstering a Mobile Medical Unit (MMU) that extends its services to 14 villages within the Yadadri Bhuvanagiri District of Telangana. This district is close to PEL's manufacturing facility in Peddakandukuru.



The MMU goes beyond the mere provision of fundamental medical equipment and medicines; it comprises a dedicated team of healthcare and social service professionals. These experts collaborate to ensure comprehensive care for the elderly population. An important facet of these Mobile Medical Units is their enhanced accessibility compared to traditional hospitals. By virtue of their mobility, these healthcare units can conveniently reach the doorstep of those in need.

Further enhancing the impact of this initiative, elderly individuals benefit from complimentary monthly medications. A personalised patient card is maintained for each individual, meticulously recording their treatment details. This serves a dual purpose of ensuring continuity of care and facilitating tracking their progress over time. This concerted effort by Premier Explosives aligns with the broader mission of enhancing the well-being and quality of life for the elderly within the region.



MHU treatment Camps

The Mobile Medical Unit (MHU) treatment camps organised with company support amounted to 56. These camps played a pivotal role in providing healthcare treatments to a cumulative count of 1002 individuals. Analysing the gender distribution, 372 male and 630 female beneficiaries received treatment during these camps.



MHU Health Awareness Camps

in the Awareness Camps conducted as part of the Mobile Medical Unit (MHU) initiative in Yadagirigutta. Across 42 camps, a comprehensive outreach effort was made to raise awareness. The gender distribution of participants indicates that 412 males and 681 females took part, resulting in 1093 participants.

Education

Premier Explosives' Corporate Social Responsibility (CSR) initiative reflects its commitment to nurturing education within the communities it serves. Through this initiative, scholarships are extended to students ranging from 1st to 10th grade, attending Primary and Zilla Parishad High (ZPH) schools in the villages of Peddakandukur, Chinnakandukur, Wangapally, Ramajipet, and Tallagudem within the Yadadri Bhongir District of Telangana. This proactive approach underscores Premier Explosives' dedication to enhancing access to education and empowering the future generations of these five villages, ultimately contributing to their holistic development.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy's recovery from both the pandemic and then an economic downturn in the past two years has not been an easy ride. Businesses have endured reduced profitability and sustenance. The past year has got a glimpse of the ups and downs in the real sense.

Global growth rate is expected to decline from 3.5% to 3.0% in 2023. This forecast is a slight upward revision from that of April 2023. Policy tightening measures for controlling high levels of inflation, weak financial systems, continued Russia Ukraine crisis and the geoeconomic fragmentation, fragility of developed economies and other headwinds faced by emerging markets have manifested in unexpected ways and inarguably influenced the direction and magnitude of growth. The world had slowed down to an extent that it was gravely close to entering into a recession – three years after emerging out from the pandemic of 2020. But these fears have been trimmed to some extent. In middle of FY2023, the economic aftermath of 2022 felt obsolete because the nations started interacting with a new concern – financial instability. Weakening investments, corporate defaults and decreased resilience of financial systems made the global scenario critical. Banking sector vulnerabilities had come into focus, with the bankruptcy of the regional banks in USA and the collapse of Credit Suisse, thereby foreboding the beginning of a global financial crisis. However, the recent resolution of the US debt ceiling standoff and the strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of the financial sector turmoil, thus moderating the intensity of risks.

In Q2 FY2023, inflation reached multidecade highs in many economies, which led to swift rise in interest rates and corresponding slowing of economic activity. Towards Q3 and Q4 FY2023, continued stringent monetary policies and a decline in commodity prices as compared to the last fiscal guided the global inflation to decline. However, the inflation level is still well beyond central bank targets. This is due to underlying pricing pressures as well as supply shocks and in some countries due to large currency depreciations vis-à-vis the US dollar and tight labour market conditions. Global headline inflation is expected to decline to 6.8% in 2023 and 5.2% in 2024 from a massive 8.7% in 2022.

Global trade paced down in second half of FY2023 mirroring a slowdown in global industrial production whereas services continued to prosper. Though the balance of risk to global growth remains lopsided, countries remain resilient and policy makers are now expected to deal with not just sustained disinflation and growth, but also with financial instability.

1 Source: IMF World Economic Outlook, July 2023

INDIAN ECONOMY

India demonstrated resilience inspite of moderation in growth in the second half of FY2023. Notwithstanding significant global challenges, India remains one of the fastest growing economies in the world, and is also surpassing China as the 'most populous nation.' The rate of India's economic growth averaged around 6.9% for the year2.

Growth was reinforced by robust investments which was boosted by government's capex and increasing private consumption. Inflation hovered around 7%, with current account deficit narrowing down in Q3 FY2023, because of flourishing service exports and marginal slowing down of global commodity prices. Merchandise exports rose in absolute terms but pace showed a slowdown. Electronics exports rose 57% as big players in the mobile equipment manufacturing segment are setting up production units in India, following the China+1 strategy.

Though India is one of the fastest growing countries, it has had its share of challenges. Elevated though now relatively easing global commodity prices, slackening of pent-up pandemic-era demand, continuing weakness in the manufacturing sector, the fading of the pandemic's low base effect, tightening financial conditions across the world, increased volatility in financial markets, reversal of capital flows, currency depreciation and global trade slowdown are some of the headwinds causing shocks and uncertainty to Indian economy. However, it is buffeted from the external shocks because of strong macroeconomic fundamentals.

The first three quarters of FY2022 experienced sluggish private consumption growth due to slow income growth and increase in borrowing costs, as well as low-paced government consumption growth due to withdrawal of pandemic-related fiscal support measures, which, in Q4 FY2022 have been overtaken by increasing GDP growth and consumption and investment levels crossing the pre-pandemic levels. The country is expected to continue showing relatively better resilience to external shocks. Headline inflation is expected to dip from 7% to around 5.9% in FY2023. Along with reduction in government deficits, stabilization of debt-to-GDP ratio, further reduction in current account deficit from 3% to 2.1% and the banking sector remaining well-capitalized, the scenario inclines towards positive for the country.

The growth rate for India has been forecast at around 6.1% for the coming fiscal, which is a slight upward revision from earlier forecast, owing to stronger-than-expected momentum in domestic investments. But uncertainties because of spill-overs from the US and European financial markets, actions of central banks across the world and oil price movements could be potential downside risks. If global shocks are taken care of, growth could surpass 7% in the FY2024 and 2025.

3 Source: Deloitte, July 2023

GLOBAL DEFENCE INDUSTRY

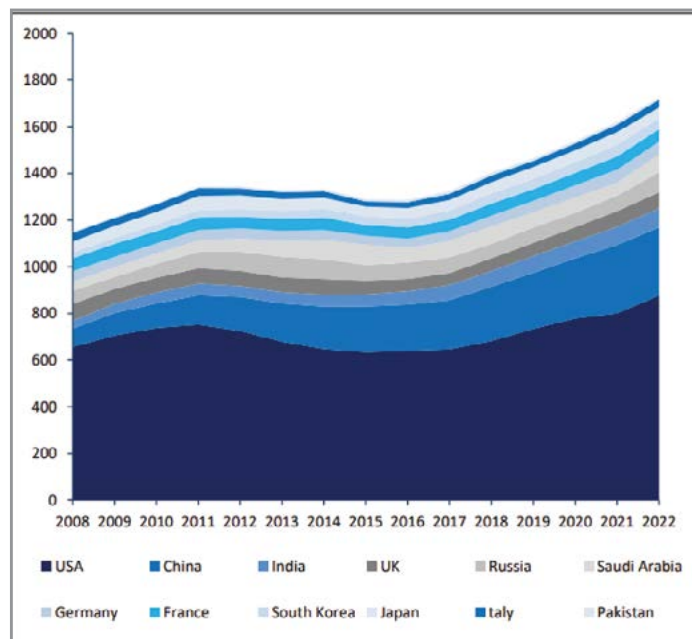
The world has been witnessing rising military spending owing to the continuing Russia Ukraine conflicts and tensions in East Asia. Military expenditure increased by 3.7% in FY2022 touching a new high of USD 2240 billion. Global spending grew by 19% over the decade 2013–22 and has risen every year since 2015. Military expenditure in Europe saw its steepest y-o-y increase in 30 years. The three largest spenders in 2022 were USA, China and Russia and they accounted for 56% of the world total.

Global Military Spending (USD Billion)

Year	Amount
2012	1871.3
2013	1838.8
2014	1834
2015	1862
2016	1871.7
2017	1893.1
2018	1950.2
2019	2028.6
2020	2091.9
2021	2104.1
2022	2181.9
2023	2239.9

Source: Choice Equity

Global military spending (in USD billion)



Source: Sipri, Choice Equity

INDIAN DEFENCE INDUSTRY

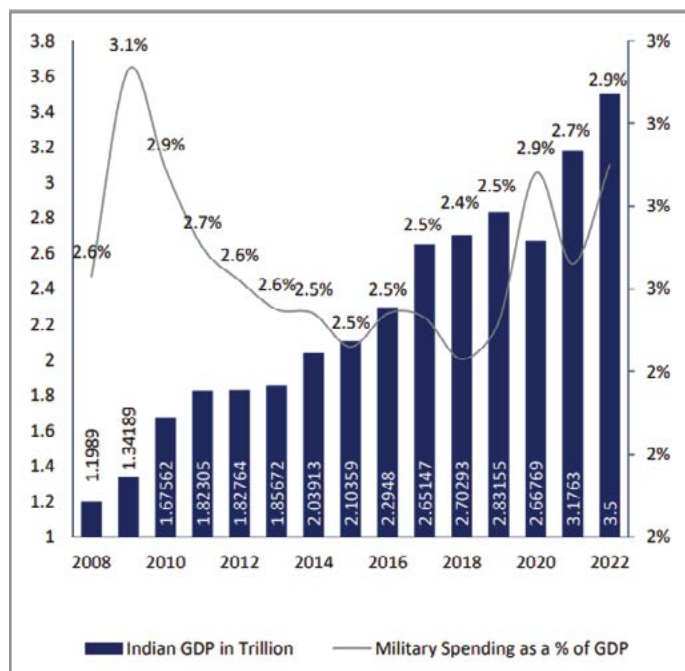
The Indian defence sector has the second largest armed forces in the world and the defence and aerospace sector has become a focus area. It plans to spend USD 250 billion by 2025 on modernising its armed forces.

The Government of India has been taking strategic steps to reinforce the capability of the Armed Forces and enhance defence infrastructure since 1962, making India a crucial market for defence equipment. With an increase in the import expenditure, there was a need to reduce dependency on foreign suppliers. Policies like Atmanirbhar Bharat which encourage domestic manufacture of indigenous

fighter aircraft, warships, missiles, tanks and submarines have been majorly responsible for an increase in foreign exchange reserves, which have grown from USD 9.22 billion in 1992 to around USD 600 billion and the GDP from USD 288 billion to almost USD 4 trillion in 2023. The global geopolitical tensions have induced India to become increasingly self-reliant and self-sufficient. Given the availability of ample funds and the implementation of various policies to modernize and upgrade the armed forces, the defence sector is poised for robust growth. The government's planned expenditure of USD 130 billion by FY2025 is just the initial step in its mission to modernize the armed forces further. This creates a favourable environment for domestic manufacturing, as evidenced by a surge in procurement levels from 54% in FY2019 to 68% in FY2022, presenting vast opportunities for domestic players. Further, with ongoing efforts to improve army, navy and air force capabilities and modernize the existing fleets of aircraft and warships, a substantial portion of capital expenditure is expected to materialize over the next 5-6 years. These segments will witness rapid indigenization adoption, leading to significant domestic manufacturing and export opportunities supported by favourable policies.

India's defence budget in 2023, (excluding defence pensions), stood at USD 56.8 billion, an increase of 3.5% from the previous year. India is one of the fastest growing economies in Asia, and this economic growth has translated to increased defence spending. The budgetary allocation is expected to touch USD 67.5 billion in FY2024 and USD 89 billion in FY2028, marking a CAGR of 7.2%. The defence acquisition budget valued at USD 19.7 billion in 2023 is expected to increase to USD 27.4 billion by 2028, reflecting a CAGR of 5.9% over the period 2023-28.

Military spending as a percentage of GDP



Source: Sipri, Choice Equity

Policies such as Defence Production and Export Promotion Policy, a favourable FDI climate, import embargo on military items and a high

budgetary allocation to the defence sector, reduction in external dependency for defence procurement and need for competitive advantage over other neighbouring nations are the factors enabling a successful growth story for Indian defence.

According to the global power index, the Indian defence sector ranks fourth in terms of firepower with a score of 0.0979. The Indian government has set the defence production target at USD 25 billion and export target at USD 5 billion by 2025. India is one of the world's biggest defence spenders with a total outlay of USD 66 billion, accounting for 13.31% of the total budget. Defence exports grew by 334% in the last five years and India now exports to over 75 countries⁴.

⁴ Source: IBEF

EXPLOSIVES INDUSTRY

The explosives refer to materials, mixtures and chemical compounds that are capable of exploding. High explosives (those that are used in defence and military applications) and low explosives (those that are used in industrial/civilian applications) are the two major types of explosives. The main types of explosives are C4, HMX, PETN, RDX, Dynamite, ANFO and others.

The defence sector plays a crucial role in the demand for explosives. Increasing government expenditure is expected to boost the demand for explosives. Apart from the defence industry, the mining industry also determines the demand for explosives. The mining industry is at a pivotal point in the global economy because at a time when it has to consider minimal environmental harm to ensure a carbon-free future, it also bears the onus to hasten the production for global supply for businesses.

The global explosives market is expected to grow from USD 44.09 billion in 2022 to USD 47.88 billion in 2023 at a CAGR of 8.6% and is forecast to grow to USD 61.83 billion in 2027 at a CAGR of 6.6%. Asia Pacific was the largest region in the explosives market in 2022 and western Europe is expected to be the fastest growing region till 2027.

Stringent regulations imposed by the government on the manufacturing and usage of explosives are expected to limit the growth of the explosives market.

Indian has one of the world's fastest growing market for explosives. The total use of explosives in India is about 5,50,000 tonnes per annum and it is expected to reach USD 159.2 million by 2028. India is also the second largest producer of coal in the world.

Demand drivers for the explosives market

The demand for industrial explosives has a direct correlation with mining operations as well as a rise in construction activities in the nation.

As the demand for power is expected to experience growth both in short term and long term, the demand for coal is seeing an upsurge. Coal mining constitutes the major determinant for explosives. Renewable energies are the obvious choice from an environmental point of view, but solar plants and windmills are not yet available at the required scale. Low-carbon natural gas is a competitor for coal, but the ongoing Russia-Ukraine conflict continues to threaten the supply of natural gas to Europe and they are considering the revival of thermal coal power plants for energy security. Growing population

and rapid urbanisation require the construction of houses, commercial buildings, roads and factories and continuing industrialisation necessitates high-power supplies and raw materials resulting in increased coal mining and quarrying activities in the nation. The government has been encouraging the creation of infrastructure through various schemes like Sagar Mala, Housing for All and PM GatiShakti National Master Plan which will result in demand for cement and metals which require explosives for extracting minerals and metals.

The mining industry in India is one of the core industries of the economy. The supply demand gap is huge especially in the mining sector for commodities such as coal (for power generation), limestone (for cement production), iron ore (for steel production) and stone aggregates from stone quarries (for use in construction and infrastructure projects). The Ministry of Coal expects domestic coal production to rise to 1.2 billion MT in FY2023-24. Cement demand is expected to grow by 7-8% to 382 million MT in FY2023. Similarly, crude steel production is expected to increase by 7% from its current level of 120 million MT in FY2022. All such primary commodities can only be obtained efficiently through the use of industrial explosives for safe and efficient blasting to expose the underlying commodity for extraction and further processing.

Mining and infrastructure sectors are shifting their focus and prioritising innovations that are cost effective and respond to specific issues. Modern explosive concepts like controlled explosions are now becoming more common. The safety and environmental aspects of the explosives industry are becoming increasingly important. An organisation must comply and meet the requirement of The Explosives Act and Rules by the Government to ensure that all the stakeholders are protected and pave way for quick growth of the industry.

⁵ Source: Research and Markets

SERVICES (GOCO)

The Government Owned, Company Operated (GOCO) model is a management and operational model wherein private industries operate government assets, releasing them of the need to invest in land, machinery or other support systems. The ownership and responsibility for a government facility, infrastructure or operation remain with a government entity, but the day-to-day operations and management are contracted out to the private sector.

The Government identifies potential industry partners for its special facilities, infrastructure and related activities that can be operated by the industry partner, which helps the government organization outsource regular and mundane operations as well as specialised activities. This is a mutually benefitting collaboration, which increases the government's efficiency in research and development and imparts a favourable environment for the defence private sector with diverse experiences, expertise, efficiency and innovation. This type of public private partnership for various projects and programmes boosts competitiveness in the private sector, harnessing private sector capabilities without fully relinquishing control over essential functions.

The GOCO model is commonly used in sectors like defence, energy, research and development and critical infrastructure. Previously, India's defence production was mainly controlled by the public sector,

with limited participation from private players. However, in recent years, the Indian government has taken several steps to encourage private sector participation in the defence industry. Today the Private Sector plays a significant role in defence manufacturing through the GOCO model as well.

Business updates

a) Update on your company's contribution to India's missile programmes

Your company has been working with various defence entities towards indigenisation of national missile programs. Following table gives details of missiles for which PEL has been supplying solid propellants and other explosive components.

Missile	Type	Stage	End user	Remarks
Akash	Tactical, Surface to Air	Production	Indian Air Force and Indian Army	Supplied 2200+ booster grains and 600+ Sustainer grains
LRSAM	Tactical, Surface to Air	Development and Production	Indian Navy	Sole supplier of solid propellants
MRSAM	Tactical, Surface to Air	Development and Production	Indian Air Force and Indian Army	Sole supplier of solid propellants
QRSAM	Tactical, Surface to Air	Development and Production	Indian Army	Sole supplier of Solid Propellant
NGARM	Tactical, Air to Surface Anti Radiation	Development of Propellant and Assembly of rocket motors	Indian Air Force	Sole supplier of Solid Propellant
Astra	Tactical, Air to Air	Development and Production	Indian Air Force	Sole supplier of solid propellants
Astra - II	Tactical, Air to Air	Development and Production	Indian Air Force	Sole supplier of solid propellants
BrahMos	Cruise Anti-ship, Land attack	Production	Indian Air Force, Indian Navy and Indian Army	Transfer of technology is under induction at Katepally plant
Pralay	Tactical, Surface to Surface	Production	Indian Army	Transfer of technology in progress

a) Update on PEL's other defence and space products

In addition to missile area, PEL has been working towards the national indigenisation efforts in association with defence and space entities on the following products:

Product	Type	Remarks
Strap on motor for satellite launcher (PSLV)	Solid propellant	Production of HS, MS and NS on-going at Katepally plant
Air Target Imitator	Dummy Rockets with IR Flares for Practice Firing	First such product to be designed, developed and manufactured in India
Pyrogen Igniters	Large Igniters for Initiation of Strategic Missiles propellant stages	Sole supplier of Pyrogen Igniters Supplied Igniters for various Strategic missiles like Agni and Submarine launched missiles
Chaff	Counter measure	First indigenous supplier of the product Entered into Memorandum of Agreement with Indian Air Force for development and manufacture under 'Make in India'
IR flare	Counter measure	First indigenous supplier of the product under Make in India
Smoke flare	Signalling device	
Pyro cartridges	Initiators for rockets, missiles and other projectiles	Sole supplier
Water cannon disruptor	Neutralising IEDs	
Mob control device	Tear gas grenades and shells	
Fuze (filling and assembling)	Device that detonates a munition's explosive material	Under user trials

• Katepally project

Received Industrial license and PESO license for the manufacture of all types of Warheads and Fuses and these licenses are valid for the lifetime.

- Increase in capacity of Shock Tube production**

The Company has increased its production capacity of Shock tube which helps to increase the production volumes of NONEL. The company also received required licenses.

- Major orders received**

The company received significant orders in both defence and Bulk Explosives segment due to which the order book has gone up to ₹ 1,107.85 Crores. The defense segment orders contribute 82%, which is the highest in the History of Premier Explosives.

Received multiple orders worth ₹ 533.08 crs (Excluding GST) for 50MM & 26MM FTV Flares & Chaffs from Ministry of defense.

Received Order worth ₹ 36.66 Crs (Excl GST) from Bharat Dynamics Limited for the supply of P1 & P2 motors for MRSAM

Received order worth ₹ 11.81 crs (Excluding GST) from Larson & Toubro.

The company has also received multiple export orders from overseas vendors for the supply of Rocket motors and War heads worth more than ₹ 120 crs.

Analysis of financial performance (Consolidated)

The analysis in this section relates to the consolidated financial results of the year ended March 31, 2023. The financial statements of the company and its joint venture are prepared as per the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

During FY23, the company achieved operating revenue of ₹20,203.01 lakhs, which is 1.46% higher compared to ₹ 19,912.77 lakhs for FY22. Net profit was ₹ 696.52 lakhs compared to a net profit of ₹ 522.20 lakhs in the previous year. An analysis of revenue and expenditure is provided below.

Revenue

(INR in lakhs)	FY23	FY22	Change
Operating revenue	20,203.01	19,912.77	1.46%
Other income	216.58	281.77	(23.14%)
Total revenue	20,419.59	20,194.54	1.11%

Higher operating revenue has been contributed by exports, especially defence products. Better pricing of explosives and accessories also helped in clocking increased revenue.

Geographical revenue

(INR in lakhs)	FY23	FY22	Change%
India	16,858.43	17,192.63	(1.94%)
Other countries	3,344.58	2,720.14	22.96%
Operating revenue	20,203.01	19,912.77	1.46%

During the year there is a significant increase in export revenue.

Cost of materials

(INR in lakhs)	FY23	FY22	Change
Cost of materials	10,766.97	9,374.31	
Purchase of stock in trade	696.17	165.51	
Changes in inventories	(2769.10)	185.26	
Total materials	8694.04	9,725.08	(10.6%)
Operating revenue	16,795.47	17,686.42	(5.04%)
Cost of materials / Operating revenue	52%	55%	

Marginal change in Cost of material ratio is due to the change in product mix.

Employee benefits

(INR in lakhs)	FY23	FY22	Change
Employee benefits	5,093.85	4,644.86	9.66%
% of Total Revenue	25.2%	23.3%	

The increase in employee costs during FY23 is due to increase in increments of employees.

Finance costs

(INR in lakhs)	FY23	FY22	Change
Finance costs	891.90	725.67	22.91%
% of Revenue	4.4%	3.6%	

Due to increase in Interest rates and higher utilization of working capital limits, finance costs see the increase.

Depreciation and Amortisation

(INR in lakhs)	FY23	FY22	Change
Depreciation and Amortisation	982.25	950.4	3.35%
% of Revenue	4.9%	4.8%	

Marginal increase in Depreciation is due to the further capex and amortization of intangible assets.

Other expenses

(INR in lakhs)	FY23	FY22	Change
Other expenses	3,781.57	3,388.80	11.59%
% of Revenue	18.7%	17%	

The increase in other expenses by 11.59% is mainly on account of Export expenses, power and fuel, repairs & maintenance.

Balance sheet items (Assets)

- Increase in property, plant & equipment from ₹ 17,202.83 lakhs to ₹ 18,154.96 lakhs represents the mainly construction of buildings towards storage etc. and also shock tube machinery and other equipment.
- Other non-current assets decreased to ₹ 481.81 lakhs from ₹ 715.53 lakhs. The decrease is mainly on account of reduction in capital advances, deposits and prepaid expenses.

- Receivables decreased from ₹7,155.10 lakhs to ₹ 5,366.64 lakhs.
- Increase in Other current assets from ₹ 1,086.48 lakhs to ₹ 1,694.93 lakhs is mainly on account of higher balances with government authorities and increase in advance to suppliers.

Balance sheet items (Liabilities)

- The non-current borrowing decreased from ₹ ₹ 508.00 lakhs to ₹ 228.93 lakhs due to repayment of term loans and shifting of current maturities of term loans to current borrowings.
- Current borrowings increased to ₹ 8,071.44 lakhs from ₹ 7,282.20 lakhs was mainly due to the higher inventory holding period (due to the delay in dispatches in defense segment) etc. Trade payables decreased from ₹2,118.31 lakhs to ₹ 1,580.02 lakhs due to payments to suppliers.
- Other financial liabilities increased from ₹ 941.21 lakhs to ₹ 1,150.00 lakhs mainly due to the increase in capital creditors.
- Other current liabilities increased from ₹ 823.12 lakhs to ₹ 3246.14 lakhs and the increase mainly represents the higher amount of advances received from customers.

Key financial ratios:

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.12	1.12	0%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.42	0.41	4%
c) Debt service coverage ratio (in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	1.89	2.30	(18%)
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	4%	3%	1%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	2.73	4.69	(42%)
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	3.23	3.39	(5%)
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	6.67	5.01	33%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	11.74	14.66	(20%)
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	3.45%	2.62%	0.83%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	5.59%	4.15%	1.44%

Credit rating

ICRA Limited has reaffirmed the rating of [ICRA] BBB (Stable) for the long-term facilities and [ICRA] A2 (Stable) for the short-term facilities being availed by your company from various banks.

DIRECTORS' REPORT

Dear Members

Your directors are pleased to present the 43rd annual report including the audited financial statements of your company for the year ended March 31, 2023.

1. Financial summary

(₹ in lakhs)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Profit / (Loss) for the year				
Operating revenue	20,203.01	19,912.77	20,203.01	19,912.77
Other income	215.66	189.68	216.58	281.77
Total revenue	20,418.67	20,102.45	20,419.59	20,194.54
EBIDTA	2,581.54	2,228.32	2,590.04	2,093.12
% to Operating revenue	12.78%	11.20%	12.82%	10.50%
Profit / (Loss) before tax	895.69	729.76	932.47	698.82
Profit / (Loss) after tax	668.49	562.01	696.52	522.20
% to Total revenue	3.27%	2.80%	3.41%	2.58%
EPS (₹)	6.22	5.23	6.42	4.93
Appropriations				
Retained earnings at beginning of the year	8,824.00	8,261.99	8,766.61	8,236.60
Profit / (Loss) for the year	668.49	562.01	690.73	530.01
Non-controlling interest				
Dividend paid for previous year and tax thereon	(161.28)	0.00	(161.28)	0.00
Retained earnings at end of the year	9,331.21	8,824.00	9,296.06	8,766.61

2. State of affairs

The performance of the company has improved marginally in terms of Revenues and profits during the year 2022-23 despite of the unexpected delays in clearance of deliveries in defence segment. Operating EBIDTA has gone up from ₹ 2,228.32 lakhs to ₹2,581.54 lakhs and Profit before tax has increased to ₹895.69 lakhs from ₹ 729.76 Lakhs during previous year. Profit after tax stands at ₹668.49 lakhs as compared to ₹562.01 lakhs for the year 2021-22. The Raw Material supplies and prices were stabilized during the year which will give positive impact in near future. The operations in commercial explosives improved significantly during the year.

Operations

Production of detonators was 15.40 million pieces as against 24.43 million pieces in previous year. The Company has executed several orders in defence during the year.

Operation & Maintenance contract at Sriharikota has been satisfactory during the Financial Year 2022-23. The production of bulk explosives increased to 7886 tonnes from previous

year's 6,221 tonnes. The prices and supplies of Ammonium Nitrate price have stabilized during the year which has been reflected in our overall performance during the year.

3. Capital expenditure

During the year the company incurred the capital expenditure of ₹ 1873.91 lakhs on fixed assets and ₹ 80.41 lakhs on intangible assets.

4. Dividend

The Board of Directors of your company, at their Meeting held on May 16, 2023, has recommended payment of ₹1.70/- (Rupees One and Seventy paise only) (17%) per equity share, as final dividend for the financial year ended March 31, 2023. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend on equity shares for the financial year 2022-23 would aggregate to ₹182.79 Lakhs.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

5. Share capital and reserves

a) Share capital

The paid up Equity Share Capital of the Company as on March 31, 2023 was ₹ 10,75,22,390/- divided into 1,07,52,239 equity shares of ₹10/- each fully paid up. There was no change in the Share Capital during the year under review.

b) Transfer to Reserves

The company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the year.

6. Deposits

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

7. Change in the nature of business, if any

During the year, there was no change in the nature of business of the company.

8. Material changes and commitments after the reporting period

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which these financial statements relate and the date of this Report.

9. Subsidiary companies, Jointly controlled entity and consolidated financial statements

a) **PELNEXT Defence Systems Private Limited, a 100% subsidiary company**

Incorporated on July 15, 2016 PELNEXT is expected to be operated as a special purpose vehicle in defence explosives business. The company incurred a net loss of ₹0.90 lakh during 2022-23 (₹0.85 lakh during 2021-22).

As on 31st March, 2023, Premier Explosives Limited held 10,000 Equity shares in PELNEXT representing 100% of equity share capital.

b) **Premier Wire Products Limited (PWPL), an 80% subsidiary company**

PWPL was engaged in manufacture of Galvanised Iron (GI) Wire catering to the requirements of detonator-manufacturers, having its registered office at Secunderabad, Telangana. The Company's manufacturing facilities are located at Ramajipet, YadadriBhuvanagiri District of Telangana. Due to lower demand for GI wire from detonator-manufacturers, the company has sold major property, plant and equipment, dismantled building, terminated all the employees and intimated closure of factory to various authorities during the year 2021-22.

The company incurred a net profit before tax of ₹ 27.68 lakhs during the year ended March 31, 2023 and the company has accumulated loss of ₹ 33.58 lakhs as at March 31, 2023 (Revenue of ₹ Nil_ lakhs and Net loss of ₹ 39.04 lakhs during previous year).

As on 31st March, 2023, Premier Explosives Limited held 52,00,000 Equity shares in PWPL representing 80% of their equity share capital.

c) **BF Premier Energy Systems Private Limited (BFPES), a 50% jointly controlled entity**

This joint venture is yet to commence commercial operations and has been inoperative for the past several years due to lack of business opportunities. Hence during the year, the Board has decided to close the Company and accordingly forms/documents were filed with the Registrar of Companies, Pune, Maharashtra, to strike off the name of the company from the register of companies under Section 248 of the Companies Act, 2013

The company incurred a net loss of ₹ 2.00 lakh during 2022-23 (₹ 1.11 lakh during 2021-22).

d) **Consolidated financial statements**

Pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations, the Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards, notified under the Act is attached to this report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the company including consolidated financial statements and related information of the company and the financial statements of the subsidiaries, are available on the website of the company www.pelgel.com. Any Member desirous of obtaining copies of the said financial statements may write to the company at investors@pelgel.com

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

Details of consolidated entities are given in the Annexure 1, Form AOC-1: Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures.

10. Future outlook

Your company started getting large orders in defence segment especially from counter measures. Your company has completed the designing and development orders of various Rocket motors for overseas buyers. During the year your company has received supply orders for these products and the deliveries against the orders have started.

At the macro level, 'Make in India' is transforming into 'Atmanirbhar Bharat' in the wake of COVID-19 and more specifically in defence supplies in the aftermath of Ukraine problem and Galwan clashes with China.

The Company is focused on increasing exports by developing new customers and higher volumes with existing customers. The Company will maintain its thrust in exports by adding products in existing markets and foraying into new markets.

Special focus on overseas market started yielding the results and the company is getting high value export orders from various countries. Indian Defence exports have grown almost eleven times from ₹ 1,500 crore to ₹ 16,000 crore in the past six years.

In the last two years, India has brought out three lists with a total of 310 equipment and weapon systems, which will undergo a phased import ban within specified deadlines.

The lists comprise latest high tech platforms such as light weight tanks, naval utility helicopters, missiles, mounted artillery gun systems as well as medium altitude long endurance unmanned aerial vehicles, and loitering munitions.

While the lists were primarily meant to put an end to defence imports, they were clearly drawn considering the manufacturing capabilities of India's private industry and public sector working in the field of defence. This will give lot of opportunities to our company in coming days.

The operations in Bulk explosives division are also getting stabilized and looking bright with the existing supply order from Singareni and future requirements of Coal India with the cooling off of the commodity / raw material prices.

11. Board matters

A. Directors' Responsibility Statement pursuant to the provisions of Section 134 of the Companies Act, 2013-

Your Board of Directors hereby confirms that:

- a) In the preparation of the annual accounts of the Company for the year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit and loss of the company for the year ended on that date;
- c) 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 for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) adequate internal financial controls have been laid down, have been followed and have been operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

B. Declaration of independent directors

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Independent Directors of the company have registered their names in the Independent Director's Database maintained by the Indian Institute of Corporate Affairs (IICA).

C. Board meetings

During the financial year 2022-23, Five (5) Board meetings were convened and held on 26th May, 2022; 03rd August, 2022; 27th October, 2022; 2nd January, 2023 and 10th February, 2023.

D. Board evaluation

Criteria and other details of Board evaluation have been provided in the Annexure -2, Report on Corporate Governance.

E. Directors and Key Managerial Personnel

During the year under review, there were no new appointments or resignations or changes in the the Board of Directors and Key Managerial Personnel (KMPs) of the Company.

Directors

Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mr. Y. Durga Prasad Rao (DIN:08072805) Director-Operations, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment and the resolution under item No 3, seeking approval of the Members for his re-appointment has been incorporated in the Notice convening the 43rd Annual General Meeting of the Company along with brief details about him.

The disclosures as required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard are given in the Notice convening 43rd AGM, forming part of the Annual Report.

Appointments, Resignations and Changes

During the year under review, the Members at the AGM held on September 16, 2022 through special resolution had re-appointed Mr. Y. Durga Prasad Rao (DIN: 08072805) as Wholetime Director designated as Director-operations for a second consecutive term of five years commencing from August 10, 2022.

Key Managerial Personnel

Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. T.V. Chowdary, Managing Director, Mr. Srihari Pakalapati, Chief Financial Officer and Mrs. K. Jhansi Laxmi, Company Secretary.

F. Committees of the Board

As required under the Act, and the Listing Regulations, the Company has constituted the following statutory committees:

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

Details of all the Committees such as terms of reference, composition and meetings held during the year under review are disclosed in the Corporate Governance Report, a part of this Annual Report.

G. Company's policy on appointment and remuneration of directors

- a) Criteria for appointment of directors
Director must have relevant experience in

finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to company's business.

Director should possess the highest personal and professional ethics, integrity and values.

Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director and recommend to the Board his / her appointment or re-appointment.

The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient or satisfactory for the concerned position.

While appointing an independent director, Nomination and Remuneration Committee shall consider the 'independence' of the person also in addition to the above.

iv. Variable remuneration

It is paid to encourage the employees to achieve set targets and variable remuneration shall be determined on the following basis:

Category	Nature	Basis of variable remuneration
Whole time Directors	Commission	X% of Profit in a year during the contract period (% as recommended by Board and approved by Shareholders.
Management Team (CFO, Company Secretary, President, Vice President, GM)	Profit sharing bonus	X% of Profit divided among them in proportion of their basic salary (% as decided by Committee of Whole time Directors)
Officers (Below GM level)	Profit sharing bonus	X% of Profit divided among them in proportion of their basic salary. (Minimum period of services and other conditions for eligibility are decided by Committee of Whole time Directors)
Staff and Workers	Production incentive	Quantity of production, as per the Wage Agreement revised every 3 years at Pedda kandukuru (Those who are engaged in production and allied activities are eligible.

v. Statutory benefits

Employee benefits like Contribution to Provident Fund, Gratuity, Bonus, Employees State Insurance, Workmen Compensation, etc. shall be provided to all eligible employees as per the respective Acts.

vi. Perquisites and other benefits

Perquisite	Amount
Reimbursement of medical expenses for self and family / Medical allowance	Up to one month basic salary in a year to whom ESI is not applicable
Mediclaim and personal accident insurance	Reasonable coverage to whom ESI is not applicable
Leave travel allowance	Workers - as per wage agreement
Use of Company car with driver or reimbursement of driver salary, fuel, maintenance and insurance	For Directors-as recommended by Board and approved by Shareholders
Telephone at home, Club fee	For Management team-as approved by Committee of Whole time Directors
Gas, electricity, water, servant, security, gardener and soft furnishing.(Up to 10% of basic salary)	

b) Policy on directors' remuneration

i. Policy

The Company shall remunerate its directors, key managerial personnel, senior management, other employees and workers appropriately to retain and motivate them as well as to attract new talent when required.

ii. Components of remuneration

Remuneration package shall include fixed component for all employees and variable component to the extent desirable and practicable.

iii. Fixed remuneration

It shall be competitive and based on the individual's education, experience, responsibilities, performance, industry benchmark in the area, etc.

Fixed remuneration shall comprise of basic salary and other allowances like house rent allowance, conveyance allowance, etc. which are calculated as certain % of basic salary.

vii. Increments

Increments are made taking into account the individual performance, inflation and company performance.

Workers are given Variable Dearness Allowance as per Consumer Price Index semi-annually on 1st of April and 1st of October.

Wages of workers at Peddakandukuru are revised every 3 years as per the agreement between the management and unions.

Increments of other employees are made effective 1st April every year, as approved by Committee of Whole time Directors upon recommendation of heads of departments.

Mid-year increments are given in exceptional cases, as approved by the Managing Director, upon recommendation of concerned director and head of department.

viii. Remuneration to Independent and Non-Executive Directors

Remuneration / Commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations, for the time being in force and shall be entitled to such sitting fee in respect of the Board and Committee meetings attended, at the rates approved by the Board and within the applicable provisions of the Companies Act, 2013.

ix. Service contracts, notice period and severance fees:

Executive directors have entered into a service contracts with the company. The tenure of the contract is three/five years. Reappointment is done by the Board based on the recommendation of the Nomination and Remuneration Committee. Notice period is as mutually agreed between the director and the Board.

None of the directors is eligible for severance pay.

H. Formal annual evaluation by the Board

The Board has evaluated its own performance and of individual directors. The details as required u/s 134(3) (p) of the Companies Act, 2013, are mentioned in the Annexure 2: Report on Corporate Governance.

12. Transfer of shares and unclaimed dividend to Investor Education and Protection Fund (IEPF)

During the year under review, your Company transferred unclaimed dividend amount of ₹ 3,23,974.00 (pertaining to dividend for the financial year 2014-15) lying with the Company for a period of seven years to the Investor Education

and Protection Fund (IEPF) in compliance with the applicable provisions of the Companies Act, 2013. As required under Section 124 of the Companies Act, 2013, your Company also transferred during the year 6,237 shares to IEPF Authority, in respect of which dividend had remained unclaimed for a consecutive period of 7 years. Details of the shares transferred to IEPF Authority have been uploaded on website of the Company.

13. Auditors**a) Independent Auditors**

The Members of the Company at the 42nd Annual General Meeting held on September 16, 2022 had re-appointed M/s. Majeti & Co., Chartered Accountants, (Firm Registration No 015975S) as the Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of 42nd AGM till the conclusion of 47th AGM.

b) Internal Auditor

In terms of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s.B.M. Kumar & Associates, Chartered Accountants,, as Internal Auditors to conduct Internal Audit of the Company for the financial year 2023-24.

There was no qualification, reservation or adverse remark disclaimer in the auditors report, cost audit report .

c) Cost Auditor

The Company has maintained cost records for relevant products prescribed by the Central Government under the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014. These records have been audited by M/s. S.S.Zanwar & Associates, Cost Accountants during the financial year 2022-23.

The Board of Directors of the Company, on the recommendations of the Audit Committee, have re-appointed M/s S. S. Zanwar & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the cost records of certain products for the financial year for 2023-24 and M/s. SS Zanwar & Associates, Cost Accountants being eligible have consented to act as the Cost Auditors of the Company for the financial year 2023-24.. As per the provisions of Section 148(3) of the Companies Act, 2013, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors' remuneration is being placed before the Members for their ratification.

d) Secretarial auditor

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors have re-appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary as Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2023-24. They have confirmed their eligibility for the re-appointment.

14. Independent auditors' report

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement of the Company for the financial year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or any disclaimer.

Reporting of fraud

During the year under review, there were no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

15. Credit Rating

During the year under review, ICRA Limited has retained and assigned the following ratings for Long Term and Short Term Bank facilities of the Company:

- a) Long Term Rating - '[ICRA] BBB+ (Stable)'
- b) Short Term Rating - '[ICRA] A2'

16. Management discussion and analysis Report

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

17. Corporate governance

In terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with the Auditors' Certificate on its compliance with the corporate governance requirements is annexed herewith as **Annexure – 2**, Auditors' Certificate as **Annexure-3** and CEO & CFO Certificate as **Annexure-4** to this Report.

18. Secretarial audit report

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board has appointed Mr. K.V. Chalama Reddy, Practising Company Secretary, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith as **Annexure-5**. There are no qualifications, observations or adverse remarks, or disclaimers in the said report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by Mr. K.V. Chalama Reddy, Practising Company Secretary, Hyderabad has been submitted to the Stock Exchanges within the specified time.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards notified by the Institute of Company Secretaries of India (ICSI).

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure- 6** to this Report.

20. Particulars of loans, guarantees or investments in terms of section 186 of the Companies Act, 2013

Your company

- a) has not given any loan to any person or other body corporate other than usual advances for supply of materials and services
- b) has not given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) has not acquired the securities of any other body corporate by way of subscription, purchase or otherwise, exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

21. Particulars of contracts or arrangements with related parties

All related party transactions entered by the Company during the financial year 2022-23 with related parties were on arm's length basis and in the ordinary course of business. No material related party transactions / arrangements were entered into during the financial year by the Company.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

The particulars of transactions with related parties referred in section 188(1) of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2023 in prescribed Form AOC-2 is annexed herewith as **Annexure – 7** to this Report.

The details of the transactions with related parties were also provided in the notes to the financial statements.

22. Risk management policy

Your company recognizes Risk Management as a very important part of business and has kept in place necessary

policies, procedures and mechanisms. The company proactively identifies monitors and takes precautionary and mitigation measures in respect of various risks that threaten the operations and resources of the company.

The Risk Management Policy of the company is available at the link <http://www.pelgel.com/prm.htm>.

23. Vigil mechanism policy

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013 a Whistle Blower policy has been established. The policy is available at the website link <http://www.pelgel.com/pwb.htm>.

24. Corporate social responsibility (CSR) activities

During the year 2022-23, your company has spent an amount of ₹ 8.87 (₹ 11.86 lakhs in previous year) on CSR activities, against the minimum mandatory amount of Nil (₹11.86 lakhs in previous year), being 2% of average profit for the last three years.

Details of CSR activities are given in **Annexure - 8**.

25. Disclosure under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Nirbhaya Act)

There are 66 women employees in your company as on March 31, 2023 (64 a year ago) and your company has formulated an anti harassment policy to ensure safe working environment. Your company also has set up an Internal Complaint Committee to redress complaints of women employees regarding sexual harassment. During the year under review, there were no cases received/filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013.

Details of awareness programmes and complaints are listed in **Annexure - 9**.

26. Disclosure of significant and material orders passed by regulators etc. under Rule 8(5)(vii) of the Companies (Accounts) Rules 2014

During the year under review, there were no significant or material order(s) passed by the Regulators /Courts or Tribunals which would impact the going concern status of the Company and its future operations.

During the year under review, there is no application/proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial Institutions.

27. Disclosure of internal financial control systems and their adequacy Rule 8(5)(viii) of the Companies (Accounts) Rules 2014

Your company has in place adequate internal financial controls with reference to financial statements. The Board has adopted

the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and aid in the timely preparation of reliable financial statements.

28. Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available on the company's weblink www.pelgel.com/annual_returns.html

29. Remuneration of directors and employees and related disclosures

Remuneration is paid to directors and employees in accordance with the remuneration policy of the company and applicable statutory provisions.

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act and the Rules framed thereunder is enclosed as **Annexure-10** to this Report.

30. Details of amount received from a director of the company:

During the year under report, the Company has not received any amount from any Director of the Company pursuant to Rule 2 (1) (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014.

31. Listing on stock exchanges

The Company's Equity shares are listed on BSE Limited (Scrip Code: 526247) and the National Stock Exchange of India Limited (Scrip Code: PREMEXPLN) and the Listing Fees has been paid to them up to date.

32. Human Resources and Industrial relations

Your directors thank all the employees for their cooperation and the contribution towards harmonious relationship and progress of the company.

33. Acknowledgements

Your directors place on record their appreciation of the continued support and cooperation received from all employees, customers, suppliers, financial institutions, banks, Government of India and various regulatory authorities, members and other business associates during the year under review.

For and on behalf of the Board

Secunderabad
01.09.2023

Dr. A.N. Gupta
Chairman
DIN:00053985

T.V. Chowdary
Managing Director
DIN: 00054220

ANNEXURE-1

Form AOC-I

(Pursuant to first proviso to sub section(3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures

(₹ in lakhs)

Part A: Subsidiaries (Information in respect of each subsidiary to be presented with amounts)			
1	Name of the subsidiary	Premier Wire Products Limited	PELNEXT Defense Systems Private Limited
2	The date since when subsidiary was acquired	30-Jun-16	15-Jul-16
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Apr 2022–Mar 2023, same as for holding company	Apr 2022–Mar 2023, same as for holding company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
5	Sharecapital	650.00	1.00
6	Reservesandsurplus/Otherequity	(32.08)	(5.02)
7	Totalassets	648.05	0.34
8	TotalLiabilities	30.13	4.36
9	Investments	-	-
10	Turnover	-	-
11	Profitbeforetaxation	27.68	(0.90)
12	Provision fortaxation	(8.75)	-
13	Profitaftertaxation	18.93	(0.90)
14	ProposedDividend	-	-
15	Extentofshareholding	80%	100%

Note:

- Names of subsidiaries which are yet to commence operations: PELNEXT Defence Systems Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: None

(₹ in lakhs)

Part B: Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
Particulars	Name of Associates/Joint Ventures	
	BF Premier Energy Systems Private Limited (jointly controlled entity)	
1	Latest audited Balance Sheet Date	March 31, 20223
2	Shares of Associate / Joint Ventures held by the company on the year end	
	Number of equity shares	NIL
	Amount of Investment in Associates / Joint Venture	NIL
	Extent of holding	NIL
3	Description of how there is significant influence	
4	Reason why the associate / joint venture is not consolidated	
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	(2.00)
	ii. Not Considered in Consolidation	(2.00)

Note:

- Names of associates or joint ventures which are yet to commence operations: BF Premier Energy Systems Private Limited (JV)
- Names of associates or joint ventures which have been liquidated or sold during the year: None

ANNEXURE-2

REPORT ON CORPORATE GOVERNANCE

Report pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

I. Corporate Governance

1. Company's philosophy

Your Company firmly believes that good corporate governance is a necessary discipline and a means of achieving and attaining the goals and objectives of the company. Your company has been practicing the principles of corporate governance over the years.

The Board of directors lays strong emphasis on transparency, accountability and integrity.

The Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

2. Board of directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As on 31st March, 2023, the Company comprises of Ten Directors, of which Five are Non-Executive Independent Directors, Three are Non-Executive Non-Independent Directors (including Woman Directors) and Two Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Composition of the Company's Board, their category, designation, other Directorships and memberships of Committees held by each of them is as follows:

a. Composition and category of Directors:

The Board of Directors of the Company headed by a Non-executive Chairman consists of the following Directors as on March 31, 2023:

S.No.	Name of the Director	DIN Number	Designation	Category
1	Dr. A.N.Gupta	00053985	Chairman	Promoter, Non-Independent Non- Executive
2	Mr. T.V.Chowdary	00054220	Managing Director	Executive Director
3	Mr. Y. Durga Prasad Rao	08072805	Director-Operations	Executive Director
4	Dr. (Mrs.) Kailash Gupta	00054045	Director	Promoter, Non-Independent Non Executive
5	Mr. Anil Kumar Mehta	00040517	Director	Independent Director
6	Mr. P.R.Tripathi	00376429	Director	Independent Director
7	Mr. K.Rama Rao	02678860	Director	Independent Director
8	Dr. A. Venkataraman	02669952	Director	Independent Director
9	Lt.Gen. P.R.Kumar (Retd)	07352541	Director	Independent Director
10	Mrs. Shonika Prasad	00250015	Director	Promoter, Non Independent Non Executive

b. Attendance of Directors at the Board Meetings held during the year ended March 31, 2023 and the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		Attendance at AGM held on September 16, 2022 (Yes/No)
	Held during tenure	Attended	
Dr. A.N.Gupta	5	5	Yes
Mr. T.V.Chowdary	5	5	Yes
Mr. Y. Durga Prasad Rao	5	5	Yes
Dr. (Mrs.) Kailash Gupta	5	5	Yes
Mr. P.R.Tripathi	5	5	Yes
Mr. Anil Kumar Mehta	5	4	Yes
Mr. K. Rama Rao	5	4	Yes
Dr. A. Venkataraman	5	5	Yes
Lt.Gen. P.R.Kumar (Retd)	5	4	Yes
Mrs. Shonika Prasad	5	1	Yes

c. Number of other Board of Directors or committees in which a director(s) is a member or a chairperson

None of the directors on the Board is a member in more than 10 committees or chairman of more than 5 committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, across all companies in which he or she is a director. Necessary disclosures regarding committee positions have been made by the directors.

The number of Directorships and Memberships in the Committees of Other Companies held by the Directors in other public companies as on 31st March, 2023 and details of directorships in other listed entities are given below.

S. No.	Name of the Director	No. of other Directorships @	In Other Companies*		Name of other listed companies in which Directors of the Company are directors	Category of the directorships in the listed entity
			Membership	Chairman		
1	Dr. A.N.Gupta	2	-	-	Nil	N.A.
2	Mr. T.V.Chowdary	4	-	-	Nil	N.A.
3	Dr. (Mrs.) Kailash Gupta	1	-	-	Nil	N.A.
4	Mr. Anil Kumar Mehta	-	-	-	Nil	N.A.
5	Mr. P.R.Tripathi	1	-	-	Nil	N.A.
6	Mr. K. Rama Rao	-	-	-	Nil	N.A.
7	Dr. A. Venkataraman	-	-	-	Nil	N.A.
8	Lt.Gen. P.R.Kumar (Retd)	1	-	-	RKEC Projects Ltd	Independent Director
9	Mr. Y. Durga Prasad Rao	1	-	-	Nil	N.A.
10	Mrs. Shonika Prasad	-	-	-	Nil	N.A.

@ includes Directorships in the Companies (Including private limited) incorporated under the Companies Act, 1956/2013, other than Premier Explosives Limited.

*Chairmanships/Memberships of Board Committees include only that of Audit Committee and Stakeholder Relationship Committee.

d. Particulars of directorships in other companies

Name of the Director	Name of the Company	Position
Dr. A.N.Gupta	BF Premier Energy Systems Private Limited	Director
	PELNEXT Defence Systems Private Limited	Director
Mr. T.V.Chowdary	Premier Wire Products Limited	Director
	Octane Chemicals Private Limited	Director
	BF Premier Energy Systems Private Limited	Director
	PELNEXT Defence Systems Private Limited	Director
Dr. (Mrs.) Kailash Gupta	Premier Wire Products Limited	Director
Mr. Anil Kumar Mehta	None	None
Mr. P.R.Tripathi	Minman Consultancy Services Private Limited	Director
Mr. K. Rama Rao	None	None
Dr. A. Venkataraman	None	None
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited	Director
Mr. Y. Durga Prasada Rao	Premier Wire Products Limited	Director
Mrs. Shonika Prasad	None	None

e. Positions in Committees of all companies

No. of committees and chairmanships held by them across all the companies are as follows:

Name of the Director	Name of the Company	Member of the Committee	Chairman of the Committee
Dr. A.N.Gupta	Premier Explosives Limited	Audit Committee	None
		Nomination and Remuneration Committee	
Mr. T.V.Chowdary	Premier Explosives Limited	CSR committee	No
		Stakeholder Relationship Committee	No
Dr. (Mrs.) Kailash Gupta	Premier Explosives Limited	CSR committee	No
		Stakeholder Relationship Committee	No
		Internal Complaints Committee	No
Mr. P.R.Tripathi	Premier Explosives Limited	Audit Committee	Yes
		Nomination and Remuneration Committee	Yes
		CSR committee	Yes
Mr. Anil Kumar Mehta	Premier Explosives Limited	Stakeholder Relationship Committee	Yes
		Audit Committee	No
		Nomination and Remuneration Committee	No
Mr. K. Rama Rao	Premier Explosives Limited	Audit Committee	No
		Nomination and Remuneration Committee	No
Dr. A. Venkataraman	None	None	None
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited	Nomination and Remuneration Committee	None
Mr. Y. Durga Prasad Rao	None	None	None
Mrs. Shonika Prasad	None	None	None

f. Number of Board meetings held and dates on which held

The Board of Directors met five (5) times during the Financial Year from 01st April, 2022 to 31st March, 2023. The maximum time gap between any of two consecutive meetings did not exceed one hundred and twenty days. The dates on which the Board meetings were held are as follows:

26th May, 2022; 3rd August, 2022, 27th October, 2022, 2nd January, 2023 and 10th February, 2023.

g. Disclosure of relationship between directors inter se

Dr. A.N.Gupta, Chairman and Non-Executive Director and Dr. (Mrs.) Kailash Gupta, Non-Executive Director, are husband and wife and Mrs. Shonika Prasad, Non-Executive Director, is their daughter. Other than Dr. Amarnath Gupta, Dr.(Mrs.) Kailash Gupta and Mrs. Shonika Prasad, none of the Directors are related to any other Director of the company.

h. Number of shares and convertible instruments held by non-executive directors

Name	Category	No. of Equity Shares held as on 31.03.2023
Dr. Amarnath Gupta	Non Executive & Non Independent Director	26,20,183
Dr. (Mrs.) Kailash Gupta	Non Executive & Non Independent Director	11,67,467
Mr. Anil Kumar Mehta	Non Executive & Independent Director	4,000
Mr. P.R.Tripathi	Non Executive & Independent Director	Nil
Mr. K. Rama Rao	Non Executive & Independent Director	Nil
Mr. A. Venkataraman	Non Executive & Independent Director	Nil
Lt.Gen. P.R.Kumar (Retd)	Non Executive & Independent Director	1975
Mrs. Shonika Prasad	Non-Executive Non-Independent Director	Nil

i. The details of familiarisation programmes imparted to independent directors are given below

In every quarter during the year 2022-23

Managing Director apprises the directors on the latest, business developments include foreign tie ups, technology agreements, product launch and strategy adopted for expanding the Business.

Managing Director gives a presentation on business and performance updates of the Company including Finance, Sales, Marketing of the Company's major business segments, practices relating to Human Resources, domestic and global business environment, business strategy and the future outlook.

Chief Financial Officer presents the detailed analysis of the financial results. Internal auditors give a detailed report on their findings. Statutory auditors share their views on their observations during the course of audit and make presentations to the Board of Directors with regard to the regulatory changes from time to time while approving the financial results.

The Company secretary prepares the necessary policies as required by various regulations of SEBI and are circulated to the directors for their comments.

The details are given in the weblink: <http://www.pelgel.com/fpi.html>

j. Given below is the chart setting out the skills / expertise / competence of the Board of Directors

S.NO	Name of the Director	Category	Skills/expertise/competence
1	Dr. A.N. Gupta	Promoter, Chairman & Non Executive Director (Non Executive & Non-Independent Director)	A first generation entrepreneur with expertise in Technology, Innovation & Entrepreneurship
2	Mr. T.V. Chowdary	Managing Director (Executive Director)	Strategy, Industrial Affairs & leadership
3	Mr. Y. Durga Prasada Rao	Director-Operations (Executive Director)	Project execution, Technology, Industrial and Government Affairs
4	Dr. (Mrs.) Kailash Gupta	Non-Executive & Non-Independent Director	Doctor by profession. social and philanthropic activities especially in healthcare
5	Mr. P.R. Tripathi	Independent Director	Expert in Mining Activities, strategy & Leadership
6	Mr. Anil Kumar Mehta	Independent Director	Accounting, Audit, Taxation & Project Finance.
7	Mr. K. Rama Rao	Independent Director	Technology Development& Research in Defence Products.
8	Dr. A. Venkataraman	Independent Director	Expertise in High Energy Materials chemistry, nano-materials chemistry, polymer nano composites etc., Innovation & Training
9	Lt. Gen P.R. Kumar (Retd.)	Independent Director	Strategy, People Management and General Administration.
10	Mrs. Shonika Prasad	Non-Executive & non-Independent Director	A second generation entrepreneur with Administration and Management skills

Board Skill Matrix

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Defence business	Understanding product portfolio, intricacies in defence procurement, diverse entities within defence departments, indigenisation and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends in industrial explosives and military explosives, developments in technology changes, knowledge in user industries like defence / mining and experience in guiding and leading management teams to make decisions in constrained environments.
Governance	Experience in developing and overseeing governance practices, holistic approach in serving the interests of all stakeholders, maintaining board and management accountability, eye on changing corporate and other laws and driving corporate ethics and Values

k. Confirmation as regards independence of Independent Directors

In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and they are independent of the Management.

l. Reasons for resignation of Independent Director before the expiry of term, if any

Not Applicable

1. Audit Committee

a. Brief description of Terms of reference

Audit committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, Financial results, the effectiveness of the Internal Audit process, Management Discussion and Analysis report, Related Party Transactions, etc. These terms of reference are in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Part C of Schedule II of Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

A. Role of Audit Committee includes

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Review and recommending to the Board, of the appointment, re-appointment and, if required, the replacement or removal of statutory auditors and fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing with the management, the annual financial statements, before submission to the Board for approval, with particular reference to -
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 2. Change, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Modified opinion (s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Approval of any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems
- xii. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- xiii. 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
- xiv. Discussion with internal auditors of any significant findings and follow up thereon.
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- xvi. 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.
- xvii. To look into reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- xviii. To review the functioning of the whistle blower mechanism

- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xxi. To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses and
4. Appointment, removal and terms of remuneration of the chief internal auditor.
5. The statement of deviations
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) Annual statement of Funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32 (7) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition - names of the members, and Chairperson

Audit Committee consists of three Independent Directors and one Non-Executive Non-Independent Director, who are financially literate. The Committee is headed by Mr. P.R. Tripathi, an Independent Director.

Name of the director	Position
Mr. P.R.Tripathi	Chairman
Mr. Anil Kumar Mehta	Member
Mr. K. Rama Rao	Member
Dr. Amarnath Gupta	Member

c. Attendees

The Managing Director, Chief Financial Officer and Head of Internal Audit attend meetings of the Audit Committee, as invitees. Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings.

The Internal / Statutory Auditors of the Company are invited to join the Audit Committee Meetings for discussing the financial results, financial statements and the Annual/Audited Accounts / respective audit reports before placing it to the Board of Directors. The Secretarial Auditors and Cost Auditors are also invited for Audit Committee meetings on need base.

The Company Secretary, Mrs. K. Jhansi Laxmi acts as the Secretary to the Audit Committee.

d. Audit Committee meetings and attendance during the financial year ended 31st March, 2023

During the year, the Committee held five (5) meetings on 26th May, 2022; 3rd August, 2022; 27th October, 2022; 2nd January, 2023 and 10th February, 2023.

Attendance at the Audit Committee Meetings:

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	5	5
Mr. Anil Kumar Mehta	Member	5	4
Mr. K. Rama Rao	Member	5	4
Dr. Amarnath Gupta	Member	5	5

The Chairman of the Audit Committee Mr. P.R. Tripathi, attended the last Annual General Meeting held on September 16, 2022.

2. Nomination and remuneration committee

a. Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such 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.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- Devising a policy on Board Diversity
- Extension or continuing the term of appointment of the Independent Director, on the basis of the report of the performance evaluation of independent directors
- recommend to the board, all remuneration, in whatever form, payable to senior management

Undertaking other matters as the Board may refer from time to time.

b. Composition, members and chairperson

The Nomination and Remuneration Committee was constituted by the Board with three Non-Executive, Independent Directors. The Committee is headed by Mr. P.R. Tripathi, an Independent Director. The composition of the Nomination and Remuneration committee:

Name of the director	Position
Mr. P.R.Tripathi	Chairman
Mr. Anil Kumar Mehta	Member
Mr. K. Rama Rao	Member
Dr. Amarnath Gupta	Member

c. Committee meetings and attendance during the year

During the year, the Committee held 2 (two) meetings on 26th May, 2022 and 3rd August, 2022.

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	2	2
Mr. Anil Kumar Mehta	Member	2	2
Mr. K. Rama Rao	Member	2	1
Dr. Amarnath Gupta	Member	2	2

The Chairperson of the NRC was present at the last AGM held on September 16, 2022.

The Company Secretary, Mrs. K. Jhansi Laxmi acts as the Secretary to the Nomination and Remuneration Committee.

d. Nomination and Remuneration policy

- The total remuneration to Executive Directors pursuant to shareholders approval consists of a fixed component and performance bonus. The compensation is determined based on the remuneration prevailing in the industry and the performance of the company. The remuneration package of the executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Nomination and Remuneration Committee within the limits approved by the shareholders.

- The Non-Executive Directors are paid sitting fees for attending the meetings of the Board / Committees. Remuneration and Commission is paid to Dr. Amarnath Gupta, Non-Executive Director, as recommended to the Board by the Nomination & Remuneration Committee and approved by shareholders and as per the limits prescribed under Section 197 of the Companies Act, 2013

e. Criteria for performance evaluation

Performance evaluation criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. Factors of evaluation include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Executive Directors

Performance of the Executive Directors is evaluated on broad criteria such as contribution and value addition to the Board and Committees thereof; contribution to the Company and management to achieve its plans, goals, corporate strategy and risk mitigation; level of participation in the Board and Committee meetings, etc. Director being evaluated does not participate in the evaluation process. The performance of Board as a whole is evaluated by the Independent Directors on the basis of its duties and responsibilities as per terms of reference. The Chairman's performance is evaluated by Independent Directors on the above parameters after taking into account the views of Executive and Non-Executive Directors.

3. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 10th February, 2023. At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non executive Directors and assessed 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 its duties.

The Independent Directors expressed their satisfaction with the overall performance of the Directors and the Board as a whole.

4. Succession planning

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the Board of Directors and the Organisation.

5. Remuneration of Directors

- There were no pecuniary transactions with any Non-Executive Director of the Company.
- Apart from the sitting fees, Non-Executive Directors are not paid any remuneration/Commission except to Dr. Amarnath Gupta, who was appointed as Non-Executive Chairman w.e.f. February 14, 2022. The details of the remuneration/sitting fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the year 2022-23 are as follows:

S. No.	Name of the Director	Amount of Sitting fees (₹ in lakhs)
1.	Dr. (Mrs.) Kailash Gupta	1.90
2.	Mr. Anil Kumar Mehta	2.10
3.	Mr. P.R.Tripathi	1.80
4.	Mr. K. Rama Rao	1.30
5.	Dr. A. Venkataraman	1.00
6.	Lt.Gen. P.R.Kumar (Retd)	0.80
7.	Dr. Amarnath Gupta	47.76*
8.	Mrs. Shonika Prasad	0.20

*Note: includes remuneration, sitting fee, Commission @ 1% of Net Profits and ₹ 12.31 lakhs related to LTA for the financial year 2021-22.

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

c. Disclosures with respect to remuneration

- i. Details of Remuneration paid to Executive Directors for the year ended March 31, 2023 is as follows:

S. No.	Name of the director	Salary & allowances	Benefits	Commission	Bonus	Pension	Total
Executive directors							
1	Mr. T.V.Chowdary	85.80	28.23	9.75	-	-	123.78
2	Mr. Y. Durga Prasad Rao	41.18	8.23	4.87	-	-	54.28
Total		126.98	36.46	14.62	-	-	178.06

- ii. A fixed remuneration shall comprise of basic salary and other allowances like house rent allowance, conveyance allowance, etc., which are calculated as certain percent of basic salary.
- iii. Variable remuneration It is paid to encourage the employees to achieve set targets and variable remuneration shall be determined on the following basis:

Category	Nature	Basis of variable remuneration
Whole time Directors	Commission	X% of Profit in a year during the contract period (% as recommended by Board and approved by Shareholders)

- iv. All the whole time directors have been appointed for a term of three/five years in accordance with the terms and conditions contained in the resolutions passed by the Members in the General Meeting.

There is no severance fees and stock option plan for the Executive/Non Executive Directors. The appointment of Managing Director and Whole Time Directors is made for a period of five/three years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meeting.

6. Stakeholders Relationship Committee**a. Composition of the Committee**

The Committee consists of two Non-Executive Directors and one Executive Director. The Chairman of the Committee is a Non-Executive Independent director. The Committee is headed by Mr. Anil Kumar Mehta, an Independent Director.

Name of the director	Position
Mr. Anil Kumar Mehta	Chairman (Non Executive-Independent)
Mr. T.V.Chowdary	Member (Executive)
Dr. (Mrs.) Kailash Gupta	Member (Non Executive-Non Independent)

b. Name and designation of the Compliance Officer

Mrs. K. Jhansi Laxmi, Company Secretary

c. Number of Shareholder's complaints received

During the year under review, the Company has received one (1) complaints from Shareholders and no pending unresolved complaints during the year.

- d. Number of complaints not resolved to the satisfaction of shareholders is Nil
- e. There were no pending complaints as at the year ended 31st of March, 2023.

Terms of Reference

- (1) 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.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) 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.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) Such other matter as may be specified by the Board from time to time or specified / provided under the Companies Act, 2013 and rules made thereunder & SEBI Listing Regulations, or such other regulation prescribed by SEBI from time to time.

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorized by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Anil Kumar Mehta was present at the 42nd Annual General Meeting of the Company held on 16th September, 2022.

Email ID for Investor Grievances: investors@pelgel.com

7. Corporate Social Responsibility Committee

The Company has set up a CSR Committee to, inter alia

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law
- Recommend the amount of expenditure to be incurred on the activities specified and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

a. Composition, members and chairperson

The committee consists of two Non-Executive Directors and one Executive Director. The Chairman Mr. P.R. Tripathi is Non-Executive Independent Director.

Name of the director	Position
Mr. P.R.Tripathi	Chairman
Mr. T.V.Chowdary	Member
Dr. (Mrs.) Kailash Gupta	Member

b. Committee meetings and attendance during the year

During the year the Committee held one meeting on 3rd August, 2022.

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	1	1
Mr. T.V.Chowdary	Member	1	1
Dr.(Mrs.) Kailash Gupta	Member	1	1

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2023 is attached as Annexure 8 to the Board's Report.

8. General Body Meetings

a. Details of the last three AGMs are as follows

Year	Date and time	Venue	No. of special resolutions passed
42 nd AGM 2021-22	September 16, 2022 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Appointment / continuation of Directorship of Dr.(Mrs.) Kailash Gupta as Non-Executive Non-Independent Director ii) Reappointment of Mr. Y. Durga Prasada Rao (DIN:08072805) as Wholetime Director iii) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director
41 st AGM 2020-21	September 29, 2021 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Reappointment of Lt. Gen. P R Kumar (DIN:07352541) as an Independent Director for a second term of five consecutive years.
40 th AGM 2019-20	November 19, 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	No Special Resolution was proposed in 40 th AGM of the Company.

b. Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year 2022-23.

c. Postal Ballot:

During the financial year 2022-23, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website, at www.pelgel.com.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

9. Means of communication

The quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in Business Standard (English) and Nava Telangana (Telugu). The results and presentations made to the Investors/analysts are placed on the Company's website: www.pelgel.com

A statement whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

During the year, there has been no instance where the Board did not accept the recommendation of its Committees.

10. General shareholder information

- | | |
|--|---|
| a. 43rd AGM, date, time and Venue/Mode | Friday, the 29 th September 2023 at 11.30 a.m.
Mode: audio-visual means |
|--|---|
- b. Financial year: April 1, 2023 to March 31, 2024**
- Tentative schedule for considering financial results:**
- For the quarter ended June 30, 2023 : July, 2023
- For the quarter ending September 30, 2023 : October/November, 2023
- For the quarter ending December 31, 2023 : January/February, 2024
- For the quarter / year ending March 31, 2024: April/May, 2024
- Book Closure dates**
- The dates for book closure are from 23rd September, 2023 to 29th September, 2023 (both days inclusive)
- c. Dividend payment date:** Within 30 days from the AGM date upon declaration of dividend by the Members at the ensuing AGM
- d. Listing on stock exchanges**
- The Company's equity shares are listed at

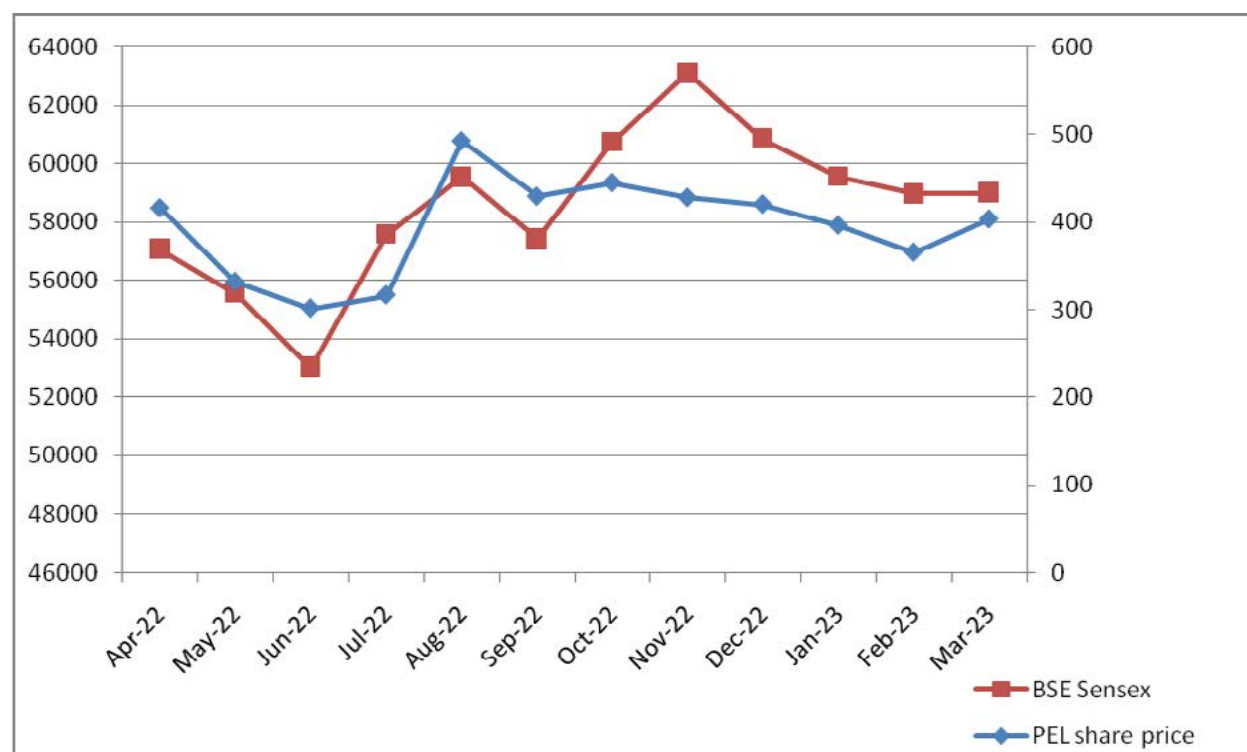
Name and Address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400001	526247
National Stock Exchange of India Limited Exchange Plaza, Floor 5, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai-400051	PREMEXPLN EQ

The Annual listing fee for the financial year 2022-23 has been paid to both the Stock Exchanges.

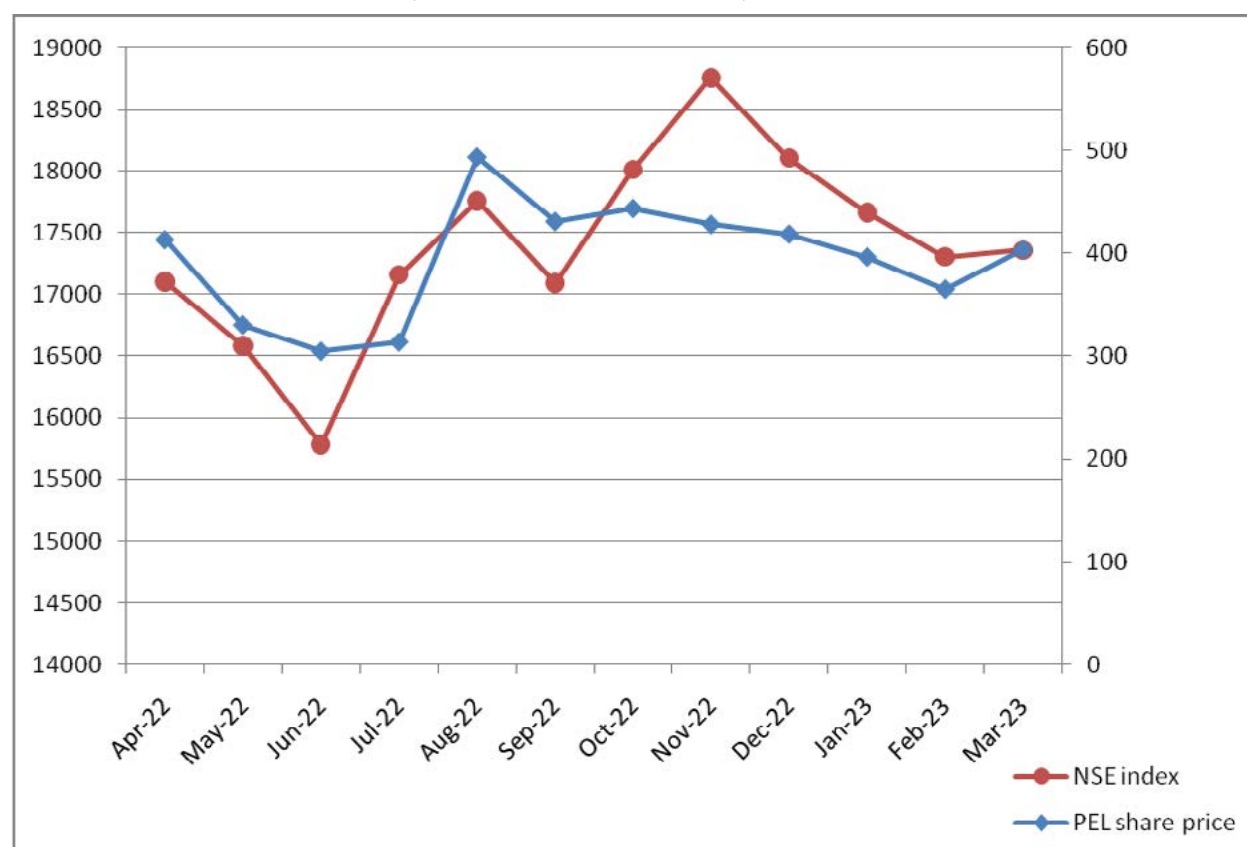
e. **Stock Market price Data - High / Low during each month during the year 2022-23 Monthly high and low quotations on the BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE)**

Month/Year	BSE		NSE	
	High	Low	High	Low
April 22	420.10	302.30	413.95	308.00
May 22	428.00	280.75	428.00	283.05
June 22	345.00	286.10	340.00	285.05
July 22	357.95	290.95	358.80	290.00
August 22	532.00	310.55	532.90	315.30
September 22	531.40	405.05	525.00	406.05
October 22	494.75	423.15	493.95	412.45
November 22	467.80	412.00	467.00	425.55
December 22	453.70	385.40	444.65	383.65
January 23	432.40	360.00	430.95	360.00
February 23	408.00	352.75	409.95	350.40
March 23	416.95	352.50	418.00	363.50

f. **Share price movement of the Company in comparison to the BSE Sensex is as follows:**



Share price movement of the Company in comparison to the NSE Nifty is as follows”



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

h. Registrar to an issue and Share Transfer Agents

(for shares held in both physical and demat mode)

M/s. KFin Technologies Limited (formerly known as KFin Technologies Private Limited) is the Company's Registrar and Transfer Agents. KFinTech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders/investors may contact them at the following address:

KFin Technologies Limited.

Selenium, Tower B, Plot No.31 & 32, ,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad-500032, Telangana.

Ph:040-6716 1606/1776

Toll free No.: 1-800-309-4001 Email: einward.ris@kfintech.com

website: <https://www.kfintech.com>

i. Share transfer system

The physical share transfers and transmissions were processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The company obtains from a Company Secretary in practice, certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and files a copy of the said certificate with the Stock Exchanges.

Members may note that transfer of shares in physical mode is prohibited effective April 01, 2019 pursuant to SEBI's amendment notification dated June 08, 2018.

j. Instruction to Members

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, Members holding shares in physical mode are requested to update their KYC details viz., (i) PAN (ii) Nomination (iii) Updation of complete postal address, Mobile No. and E-mail ID (iv) Updation of Bank details (v) Updation of Specimen signature of shareholder.

Members holding shares in physical mode are required to furnish all above details immediately, failing which all such physical folios shall stand frozen with effect from October 01, 2023. Members may get in touch with KFin Technologies Limited, Registrar and Share Transfer Agent for further information.

k. Distribution of shareholding as on 31.03.2023

S. No	Category	No of Shareholders	% to no.of share holders	No of Equity shares held	% of Shareeholding
1	1 –5,000	9,167	91.75	8,13,337	7.56
2	5,001 – 10,000	351	3.51	2,81,528	2.62
3	10,001 – 20,000	214	2.14	3,15,020	2.93
4	20,001 – 30,000	75	0.75	1,88,918	1.76
5	30,001 – 40,000	32	0.32	1,12,475	1.05
6	40,001 – 50,000	29	0.29	1,34,682	1.25
7	50,001 – 100000	51	0.51	3,64,090	3.39
8	100001 & above	72	0.72	85,42,189	79.45
Total		9,991	100.00	1,07,52,239	100.00

Shareholding pattern as on March 31, 2023

Category	No of shares	% of shareholding
Promoters	44,44,347	41.33
Mutual Funds	3,67,639	3.42
Foreign Portfolio Investors	18,269	0.17
Resident Individuals	47,10,639	43.81
Non Resident Indians	3,27,907	3.05
Clearing Members	255	0.00
Bodies Corporate	6,49,321	6.04
IEPF Authority	94,793	0.88
HUF	1,39,069	1.29
Total	1,07,52,239	100.00

l. Dematerialisation of shares and liquidity

Your Company's shares are compulsorily tradable in the electronic form only. The International Securities Identification Number (ISIN) allotted to your shares under the Depository system is INE863B01011. Equity shares of the Company representing 98.95 % of the Company's equity share capital are dematerialized as on 31st March, 2023, and the rest in physical form.

Members are requested to note that in line with the SEBI circular dated January 25, 2022, issuance of shares in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialized mode.

Members holding shares in physical mode are requested to furnish their KYC details viz., PAN, Nomination, postal address, Mobile No., E-mail address, bank details, specimen signature etc. immediately failing which all such physical folios shall stand frozen with effect from October 01, 2023.

Shares held in demat and physical mode as on March 31, 2023 are as follows:

Mode of holding	No. of shares	% to Equity
Physical	1,12,260	1.04
Electronic - NSDL	78,24,794	72.77
- CDSL	28,15,185	26.18
Total	1,07,52,239	100.00

SEBI, effective from April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form.

We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

m. 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 instrument, which is likely to have impact on the Company's equity.

n. Commodity price risk or Foreign exchange risk and hedging activities

The Company is not carrying on any commodity business and has also not undertaken any hedging activities. Hence the same are not applicable to the Company.

o. Plant locations

Plant	Location
Detonators, Detonating fuse, Packaged explosives, Research centre for defence products, Solid propellants, explosives accessories	Peddakandukuru Village, Yadagirigutta Mandal, Yadadri Bhuvanagiri District, Telangana
Solid Propellants, RDX/HMX, Ammunition, warheads, mines bombs	Katepally
Bulk explosives	1. C-16, MIDC, Gugus Road, Chandrapur, Maharashtra
	2. Manuguru, Kothagudem District, Telangana
	3. Plot No.42, Industrial Area, Udyog Deep, Waidhan, Sidhi District, Madhya Pradesh
	4. Godavarikhani, Peddapalli District, Telangana
	5. 116, Melpathi, Mandarakuppam, Neyveli Block, 29 Cuddalore, Tamilnadu

p. Address for correspondence

PREMIER EXPLOSIVES LIMITED,
'Premier House', 11, Ishaq Colony,
Near AOC Centre, Secunderabad-500015, Telangana Ph: 040-66146801-3,
Fax: 040-27843431, E-mail: investors@pelgel.com Website: www.pelgel.com

q. Credit ratings

ICRA Limited has retained the credit rating outlook for Line of Credit (LOC) of the Company, long-term credit rating of '[ICRA] [BBB+] (Stable)' and short term credit rating to '[ICRA] [A2]'. These ratings are valid till May, 2024.

11. Other disclosures

a. Related party transactions

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements.

All related party transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and the Board of Directors and are entered into on arm's length basis. During the year, there are no materially significant related party transactions that may have potential conflict with the interests of Company at large.

Related party transactions entered during the year 2022-23 have been at Arm's length basis and reported in Form AoC-2 attached as Annexure -7 to the Board's Report

- b. The Company has formulated a policy for determining the material related party transactions and the details of such policy are available on the Company's website at: <http://www.pelgel.com/prp.html>

c. Capital market compliances

During the last three years, there were no instances of non-compliance, penalties, strictures imposed by stock exchange or by SEBI or by any statutory authority on any matter related to capital markets.

d. Details of establishment of Vigil mechanism (Whistle blower policy)

The Board of Directors of the Company had adopted Whistle blower policy and the Company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

No personnel have been denied access to the audit committee. A copy of the whistleblower policy is available on the website: <http://www.pelgel.com/pwb.html>

The designated person had not received any complaint during the financial year ended 31st March, 2023

e. Compliance with mandatory requirements and adoption of the non mandatory requirements

The company has complied with all mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non mandatory requirements will be adopted on a need basis.

f. Accounting principles

In preparation of financial statements, the company has followed the accounting principles generally accepted in India, including Indian Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies which are consistently applied have been set out in the notes to the financial statements.

- g. The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2023.

h. Certificate from PCS under sub-para 10(i) of Part C of Schedule V of the Listing Regulations

A Certificate from a Practicing Company Secretary stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report as Annexure-4A

i. Confirmation by the Board of Directors' acceptance of recommendation of mandatory committees

In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company, confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.

j. Details of total fees paid to the Statutory Auditors of the Company

M/s. Majeti & Co., Chartered Accountants are the statutory auditors of the Company. The total fees/paid/payable to the statutory auditors by the company for the year ended March 31, 2023 is given below. They are not auditors for any of the group companies and they are also not part of any network of audit firms.

S. No.	Description of fees paid	Amount (₹ in lakhs)
1	Statutory audit fees paid	8.50
2	Fee paid for quarterly reviews	7.50
3	Fee paid for reviews and certifications	5.30
4	Reimbursement of expenses	1.48
Total fees paid		22.78

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

The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). During the year under review, there were no complaints received pursuant to the provisions

- l. The Company has complied with the requirements of the Schedule V-Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- m. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherever applicable, as on 31st March, 2023.

12. Subsidiary companies

Regulation 16 of the Listing Regulations defines a “material subsidiary” to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year,

The Company does not have any material unlisted subsidiary in India. The minutes of the Board Meetings of the subsidiary is periodically placed at the Board Meeting of the Company.

The Company has formulated a policy on material subsidiaries and the details of such policy are available on the Company’s website at: <http://www.pelgel.com/prp.html>

13. Code of conduct

The Board has laid down a Code of Conduct covering the ethical requirement to be complied with covering all the Board Members and Senior Management Personnel of the Company. All Board members and senior managerial personnel have affirmed compliance with the code of conduct. A declaration to this effect is signed by Mr. T.V. Chowdary, Managing Director is annexed to this Report.

14. CEO and CFO certification

The Chairman & Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

15. Transfer of shares to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), shares in respect of which dividends have remained unclaimed or unpaid for a period of seven consecutive years or more is required to be transferred to the Investor Education and Protection Fund Authority (‘IEPF Authority’).

Accordingly, the Company has transferred 6,237 equity shares into Investor Education and Protection Fund Authority Account during the financial year ended March 31, 2023.

- II. A compliance certificate from the Auditors regarding compliance with conditions of Corporate Governance is annexed with the Directors’ report.
- III. Disclosure with respect to Demat suspense account/unclaimed suspense account.

There are no shares in the Demat suspense account or unclaimed suspense account; hence the disclosure is not applicable.

This report has been approved by the Board of Directors in its meeting held on 01.09.2023

For and on behalf of the Board

Secunderabad
01.09.2023

T.V.Chowdary
Managing Director
DIN: 00054220

Dr. A.N.Gupta
Chairman
DIN: 00053985

Declaration

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of Board of directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023.

For and on behalf of the Board

Secunderabad
01.09.2023

T.V.Chowdary
Managing Director
DIN: 00054220

ANNEXURE-3

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of

PREMIER EXPLOSIVES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated October 03, 2022
2. This report contains details of compliance of conditions of Corporate Governance by Premier Explosives Limited ('the Company'), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), pursuant to listing agreement with Stock exchanges.

Management's Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31, 2023.
6. We conducted our examination in accordance with the Guidance Note on Certificates for Special purposes, Guidance note on Certificate of Corporate Governance, both issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place : Hyderabad
Date : September 01, 2023

For MAJETI & CO.
Chartered Accountants
Firm's Registration number: 0159755

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN: 23220354BGTEUU8035

ANNEXURE-4

CEO and CFO Certification

To the Board of Directors of Premier Explosives Limited

We, T.V. Chowdary, Managing Director and Mr. Srihari Pakalapati, Chief Financial Officer, responsible for the finance function, hereby certify that

- A. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and to the best of our knowledge and belief
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2023 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee
1. Significant changes in internal control over financial reporting during the year
 2. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the company's internal control system over financial reporting.

Secunderabad
01.09.2023

T.V Chowdary
Managing Director
DIN: 00054220

Srihari Pakalapati
Chief Financial Officer

ANNEXURE-4A

To
The Members
Premier Explosives Limited
Hyderabad

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

I, .K.V.Chalama Reddy, Practicing Company Secretary have examined the Company and Registrar of Companies records, books and papers of Premier Explosives Limited (CIN:L24110TG1980PLC002633) having its Registered Office at 'Premier House, #11 Ishaq Colony, Near AOC Centre, Secunderabad-500015, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2023.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2023:

List of Directors of the Company as on 31st March, 2023:

Sl.No.	DIN	Name of the director	Designation
1	00053985	Dr. Amar Nath Gupta	Non-Executive Chairman
2	00054220	Mr. Tripuraneni Venkaiah Chowdary	Managing Director
3	08072805	Mr. Durga Prasad Rao Yachamaneni	Director-Operations
4	00054045	Dr. (Mrs.) Kailash Gupta	Non Independent and Non Executive Director
5	02678860	Mr. Rama Rao Kathirisetti	Independent Director
6	00040517	Mr. Anil kumar Mehta	Independent Director
7	00376429	Mr. Prabhakar Ram Tripathi	Independent Director
8	02669952	Dr. Venkataraman Abbaraju	Independent Director
9	07352541	Lt.Gen. Peruvemba Ramachandran Kumar	Independent Director
10	00250015	Mrs.Shonika Prasad	Non Independent and Non Executive Director

Place: Hyderabad
Date: 01.09.2023

K.V.Chalama Reddy
Practising Company Secretary
F.C.S. : 9268, C.P : 5451
PR No. : 2301/2022
UDIN: F009268E000875012

ANNEXURE-5

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2023 FORM NO.MR- 3

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

To
The Members,
M/s. Premier Explosives Limited

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Premier Explosives Limited** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives and according to the examinations carried out by us, during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 (“Audit Period”) according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period**
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the audit period.**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2011 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable during the audit period**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **Not applicable during the audit period**
 - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **not applicable during the audit Period**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable during the audit period**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not applicable during the audit period**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the audit period and**
 - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi. The following other industry specific acts applicable to the Company

- a. The Explosives Act, 1884 and Rules and notifications made there under;
- b. The Electricity Act, 2003 and rules and regulations made there under.

I have also examined compliance of Secretarial Standards issued by the institute of Company Secretaries of India in respect of board and general meetings of the Company.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines and standards etc., as mentioned above

3. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. There are no changes in the composition of the Board of Directors during the year under review.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were being sent at least 7 days in advance, wherever possible. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
4. I, further report that there exist adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
5. The compliance by the Company of applicable financial laws such as Direct and Indirect tax laws have not been reviewed thoroughly in this audit, since the same have been subject to review by Statutory Financial Auditor and other designated professionals.
6. I, further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines having a major bearing on the company's affairs.

Place: Hyderabad
Date: 01.09.2023

K . V . Chalama Reddy
Practising Company Secretary
F.C.S. : 9268, C.P : 5451
PR No. : 2301/2022
UDIN: F009268E000874858

Note: This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.

To,
The Members
M/s. Premier Explosives Limited
Secunderabad

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

Place: Hyderabad
Date: 01.09.2023

K . V . Chalama Reddy
Practising Company Secretary
M. No: FCS 9268, C.P No: 5451
PR No. : 2301/2022
UDIN: F009268E000874858

ANNEXURE-6

Information on Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

A	Conservation of energy (Form 'A')	This is not applicable to the company	
B	Technology absorption (Form 'B')		
a)	Research & Development		
1.	Specific areas in which R & D carried out by the company	Development of specialised high energy chemicals	
2.	Benefits derived as a result of above R & D	Commercializing the in-house developed products	
3.	Future plan of action	To continuously improve existing products and develop cost effective processes	
4.	Expenditure on R & D (₹ in lakhs)	2022-23	2021-22
	Capital	0.00	0.00
	Recurring	40.51	60.91
	Total	40.51	60.91
	R & D expenditure as % of total revenue	0.20%	0.31%
b)	Technology absorption, adaptation and innovation		
1.	Efforts	New products were developed	
2.	Benefits	Successfully started commercial production of new products	
3.	Particulars of imported technology in the last five years	No technology imported	
		(₹ in lakhs)	
C	Foreign exchange earnings and outgo	2022-23	2021-22
	Earnings	3344.58	2,878.33
	Outgo	4446.25	2,912.89

For and on behalf of the Board

Secunderabad
Date: 01.09.2023

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

ANNEXURE-7

Particulars of contracts or arrangements with related parties [section 188 (1)] in Form AOC-2 [Chapter IX - Rule 8.4]

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There were no materially significant related party transactions made by the company.

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 arms length transactions under third proviso thereto

1	Details of contracts or arrangements or transactions not at arm's length basis:	No such transactions
2	Details of contracts or arrangements or transactions at arm's length basis:	
a)	Name(s) of the related party and nature of relationship	Premier Wire Products Limited, a subsidiary company
b)	Nature of contracts/ arrangements/ transactions	Payment of rent
c)	Duration of the contracts/ arrangements/ transactions	April 2022 - March 2023
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment of rent: 1.19 lakhs
e)	Date(s) of approval by the Board, if any	26.05.2022
f)	Amount paid as advances, if any	NIL
II	Details of contracts or arrangements or transactions at arm's length basis:	
a)	Name(s) of the related party and nature of relationship	Dr Amar Nath Gupta
b)	Nature of contracts/ arrangements/ transactions	Purchase of Land
c)	Duration of the contracts/ arrangements/ transactions	April 2022 -March 2023
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment for Land purchase: ₹ 162 lakhs
e)	Date(s) of approval by the Board, if any	26.05.2022
f)	Amount paid as advances, if any	₹ 50 Lakhs

ANNEXURE-8

Annual Report on CSR Activities for Financial Year 2022-23

1. Brief outline of the Corporate Social Responsibility (CSR) Policy

The Company's CSR policy is in alignment with the guidelines provided by the Ministry of Corporate Affairs (MCA). The Board has formulated a CSR Policy with the main objective that "the Company shall undertake the CSR activities that help the surrounding communities possible in its means and meeting the regulatory requirements.

Details of the policy can be seen at the company's website: <http://www.pelgel.com/codconcsr.htm>

2. Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The members of the CSR committee as on March 31, 2023 are as under:

S.No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. P R. Tripathi	Chairman of CSR Committee (Independent Director)	1	1
2	Dr. (Mrs.) Kailash Gupta	Member (Non-Executive Director)	1	1
3	Mr. T.V. Chowdary	Member (Executive Director)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

www.pelgel.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

Not Applicable for the financial year under review.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

6. Average net profit of the company for last three financial years as per section 135(5): (₹ 733.30 lakhs)

- Two percent of average net profit of the company as per section 135(5): Not Applicable
- Surplus arising out the CSR projects or programmes or activities of the previous financial year: NIL
- Amount required to be set off for the financial year, if any: NIL
- Total CSR obligation for the financial year (7a+7b+7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹)		
Total Amount Spent for the Financial year (₹ In Lakhs)	Total Amount transferred to Unspent CSR Account as per section 135(6) Amount Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) Name of the Fund Amount Date of transfer
8.87	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11
SI No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project	Project Duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
				State / District						Name / CSR Registration No.
1	Mobile medical unit attending to elderly people	Item No. (i)-Healthcare	Yes	Telangana/ Bhuvangiri Yadadri District	3 Years	6.90	6.90	NIL	No	Through Helpage India
2	Stipend to students	Item No. (ii) Education	Yes	Telangana/ Bhuvangiri Yadadri District	Year	1.97	1.97	NIL	No	Directly by the company
TOTAL						8.87	8.87			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
S.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project	Amount spent for the project (in ₹)	Mode of implementation Direct(Yes/No)	Mode of implementation-Through implementing Agency
				State/District			Name/CSR Registration No.
				NIL			

(d) Amount spent in Administrative Overheads: None

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 8.87 Lakhs

(g) Excess amount for set off, if any:

(In ₹ Lakhs)

S.No.	Particulars	Amount
1	Two Percent of average net profit of the company as per section 135(5)	Nil
2	Total amount spent for the Financial Year	8.87
3	Excess amount spent for the financial year [(ii)-(i)]	8.87
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	0.00
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	8.87

9(a) Details of Unspent CSR amount for the preceding three financial years: NIL

9(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for them project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing

NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s) – Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset – Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

11. Specify the reason(s), if the company has failed to spent two per cent of the average net profit as per section 135(5): Not Applicable.

Mr. P R Tripathi
Independent Director
Chairman of CSR Committee
DIN: 000376429

Dr. Kailash Gupta
Director
Member of CSR Committee
DIN: 00054045

Place: Secunderabad
Date: 01.09.2023

ANNEXURE-9

Summary of awareness programmes and complaints prepared in terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013

Particulars	Calendar year (01.01.2022 to 31.12.2022)	From 01.01.2023 till date of the report
No. of complaints of sexual harassment received during the year	-	-
No. of complaints of disposed off during the year	-	-
No. of cases pending for more than 90 days	-	-
No. of workshops or awareness programmes carried out against sexual harassment	2	1
Nature of action taken by the employer or district officer	NA	NA

ANNEXURE-10

Particulars of remuneration and other disclosures

I. Information as per Rule 5(1) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration of the directors and key managerial personnel to the median remuneration of the employees of the company

Sl	Name	Designation	Amount of remuneration paid for the year (₹ Lakhs)		Increase / (decrease) (₹ Lakhs)	Increase / (decrease) %	Ratio to median remuneration of employees
			2022-23	2021-22			
1	Dr. A N GUPTA	Chairman	46.06	*274.91	-	-	N.A*
2	T V CHOWDARY	Managing Director	123.78	**85.16	38.62	45.35	2.80
3	Y DURGA PRASADA RAO	Director - Operations	54.28	43.13	11.15	25.85	1.35
4	SRIHARI PAKALAPATI	Chief Financial Officer (KMP)	27.41	***18.57	8.84	47.60	0.71
5	K JHANSI LAKSHMI	Company Secretary (KMP)	12.68	11.07	1.61	14.54	0.36

*Not applicable since Dr. Amarnath Gupta was re-designated as Chairman and Non-Executive Director from February 14, 2022 and the remuneration drawn during the year represents, the remuneration paid to him as the Executive Chairman & Managing Director from April 01, 2021 to February 13, 2022 and remuneration from February 14, 2022 to March 31, 2022 paid to him as a Non-Executive Director & Chairman. During the year 2022-23 remuneration includes LTA and commission for previous year.

**Not applicable since Mr.TV.Chowdary was appointed as Deputy Managing Director till February 13, 2022 and was re-designated/appointed as Managing Director with revision in terms of his remuneration w.e.f. February 14, 2022.

***Mr. Srihari Pakalapati was appointed as Chief Financial Officer and KMP w.e.f. 24/05/2021 and hence not applicable.

- Median remuneration of the employees was ₹ 4.23 lakhs during the 2022-23 and ₹ 4.09 lakhs during 2021-22.
- Median remuneration of employees during 2022-23 has remained static compared to the amount during 2021-22
- Number of permanent employees on the rolls of the company as on 31.03.2023 was 822 (825 as on 31.03.2022).
- Remuneration has been paid as per remuneration policy.

B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. Particulars of top ten employees in terms of remuneration and also who were in receipt of remuneration not less than 102 lakhs per annum or ₹ 8.50 lakhs per month during the year 2022-23

No.	Employee name	Designation	Remuneration (₹ in lakhs)	Nature of employment - contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last date of and designation	No. and % of equity shares held at year-end	Relationship to any other director
1	A.N. Gupta	Chairman	46.06	Contractual	M.Sc.,D.Sc., 14-Feb-80 56 years 14-Apr-45 78years	I.E.L.Limited, Area Sales Manager	26,05,086 24.3%	Dr. (Mrs.) Kailash Gupta is his Wife & Mrs. Shonika Prasad is his Daughter
2	T.V.Chowdary	Managing Director	123.78	Contractual	B.Sc. B.Tech (Petroleum) 25-May-89 41 years 16-Aug-57 66 years	STP Limited Production Manager	30,022 0.28%	None
3	Y.Durga Prasada Rao	Director-Operations	54.28	Contractual	B.E. Mechanical 01-Jul-89 38 years 20/05/1963 60 years	Rohini Refractories Ltd Mechanical Engineer	-	None

No.	Employee name	Designation	Remuneration (₹ in lakhs)	Nature of employment - contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last date of and designation	No. and % of equity shares held at year-end	Relationship to any other director
4	Srihari Pakalapati	Chief Financial Officer	27.41	Permanent	FCA 24/05/2021 26 years 12/08/1971 52 years	Asian Group (Entertainment and Construction) Chief Financial Officer Head of Accounts & Finance Department	7,548 0.07%	None
5	Y Krishna Rao	Vice President (Accounts)	16.11	Contractual	M.Com 03-Sep-86 42 years 17/06/1950 73 years	A.P.Rayons Ltd Accounts Officer	100 0.00%	None
6	Shailendra Pathak	President (Marketing)	30.67	Permanent	B.Tech, MBA, PGDPM (HR&IR) 01-Oct-16 36 years 56 years	TRC Wall Pak Ltd Plant Head	35 0.00%	None
7	Indraneel Deb	Vice President (Defence)	26.36	Permanent	M.Tech, (Aerospace), Armed Forces Programme (IIIM) 2-Feb-16 31 years 06-Sep-69 54 years	Reliance Defence & Engineering Ltd DGM (Guns & Missiles)	-	None
8	Gangraj Tadinada	Vice President (Marketing)	29.08	Permanent	B.Sc. & MBA (Mktg) 19 Feb-2020 29 years 16 Nov-1970 53 years	DCW Limited General Manager (Marketing)	300 0.00%	None
9	S.Janardhan	Vice President	20.54	Permanent	B. Tech & MBA(HR) 27 Feb-1995 28 Years 03 July 1968 54 Years	-	-	None
10	T Raghuv eer	General Manager	15.31	Contractual	B.Sc Safety PG Diploma 08 May 1963 61 Years	-	-	None

During the year under review, there was no employee in receipt of remuneration which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director and holds by himself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.

INDEPENDENT AUDITOR'S REPORT

To The Members of Premier Explosives Limited

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Premier Explosives Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as the "standalone financial statements").

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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive

income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our 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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Fair value assessment of trade receivables: Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note no 11 to the standalone Ind AS financial statements, 32.36% of the trade receivables are past due more than 180 days. The most significant portion of the trade receivables over 180 days comprises of Public Sector companies and Government organisations which are within their historic payment patterns. Company applies the simplified approach and recognises Expected credit loss (ECL) for trade receivable balances (refer Note No 32(A)). Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics, by grouping days past due of customers. Accordingly, the estimation of the Expected Credit Losses allowances on trade receivables outstanding as at year end is a significant judgement area, hence considered as a key audit matter. (Trade receivables outstanding as at March 31, 2023 – 5366.64 lakhs – which is 88.43% of total financial assets)	Principal audit procedures performed: - We have Performed Audit confirmation procedures and due to non-response of the same, we performed alternative procedures as below to assess the validity outstanding receivables. - We verified payments received subsequent to year-end against the outstanding amounts as on March 31, 2023. - Verified client source documentation to provide evidence for the existence assertion of the receivables. - Performed Analytical procedures for revenue recognised to find out unusual patterns in sales to identify potentially impaired balances. - Enquiries with respective Marketing managers and with those charged with governance about long outstanding customer balances. - The assessment of the appropriateness of the ECL allowance for trade receivables comprised of audit procedures including: - We assessed management's ECL impairment model consistent with the requirements of IND AS 109; - We tested the mathematical accuracy of Management's ECL impairment model; - We agreed the data utilised in Management's ECL impairment model at March 31, 2023 to receivables aging report, calculations and other audited information; - We challenged assumptions and judgements made by Management through discussion, comparison to data and our knowledge of the operations as gained through our audit in determining future expected loss rates

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports comprising other information are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 statement 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, Board of Directors 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 of the current period 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 Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses Unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position as stated in note no 34 to the Standalone Ind AS Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, the company doesn't have 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, no funds (which are material either individually or in the aggregate) 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 entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

- (c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 46 to the standalone Ind AS financial statements
 - a) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
 - b) The company has not issued any interim dividend during the year.
 - c) 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MAJETI & CO**
Chartered Accountants
Firm's Registration No: 015975S

Kowshik Anna
Partner
Membership No: 244172
UDIN No: 23244172BGQKYK2637

Place: Hyderabad
Date: May 16, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Premier Explosives Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on “the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **MAJETI & CO**
Chartered Accountants
Firm’s Registration No: 0159755

Kowshik Anna
Partner
Membership No :244172
UDIN No: 23244172BGQKYK2637

Place: Hyderabad
Date: May 16, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i In Respect of the Company's Property Plant and Equipment and Intangible Assets:

a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

B) The Company is maintaining proper records showing full particulars of Intangible Assets.

b) The Property Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the notes no 3 & 4 to standalone financial statements are held in the name of the Company.

d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use of Assets) and Intangible Assets during the year.

e) Based on the information and explanation furnished to us, no Proceeding have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

The Company has granted loan to subsidiary during the year, details of the loan is stated in sub-clause (A) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a subsidiary as below:

Particulars	Amount in Lakhs
Aggregate amount during the year	Nil
Balance outstanding as at balance sheet date	3.87

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to other parties.

b) In respect of the aforesaid loan to a subsidiary, the terms and conditions under which such loans were granted were not prejudicial to the Company's interest.

c) In respect of the loan given to a subsidiary, no schedule for repayment of principal and Interest has been stipulated by the Company. Therefore, in the absence stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.

d) As there was no repayment schedule, we are not able to comment on any amount overdue by the subsidiary in respect of loan given.

e) According to the information and explanations given to us and based on our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loan given to the same party.

f) Following loan were granted during the year (including outstanding) to promoters /related parties under Section 2(76), which are repayable on demand or were no schedule for repayment of principal and payment of interest has been stipulated by the Company.

(In Lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loan given			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
- No agreement and Repayable on demand (C)	-	-	3.87
Total (A+B+C)	-	-	3.87
Percentage of loans	-	-	100%

iv According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loan given and investments made.

- v The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Customs Duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of employees' state insurance, Income tax, Professional Tax and provident fund with the appropriate authorities.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Forum	Period	Amount (in Lakhs)
Central Sales tax, 1956	Sales Tax	Honourable High Court of Telangana	2007-08	151.31
Tamil Nadu Value Added tax, 2006	Value Added tax,	Honourable High Court of Judicature at Madras	2009-10 to 2015-16	424.52

- viii According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix a) According to the records of the Company examined by us and the information and explanation given to us,
 - A. The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government during the year.
 - B. Loans Includes an amount of ₹ 422.98 lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such

loans and interest thereon have not been demanded for repayment during the relevant financial year.

- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful Defaulter by any bank or financial institution or government or any government authority.
 - c) According to the records of the Company examined by us and the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and Joint Ventures.
- We report that the Company did not have associate companies during the year.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint ventures.
 - x a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

- b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause 3(x)(b) is not applicable.

- xi a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the

information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

- xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Hence reporting under clause 3(xii)(a), (b), (c) are not applicable.
- xiii The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiva) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
 - 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 him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvia) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - b) The Company has not conducted any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company
 - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
 - d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii The Company has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix According to the information and explanation given to us and on the basis of the financial

Ratios (Also Refer Note 43 to the Ind AS Standalone Financial Statements), ageing and expected dates of realisation 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 The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 015975S

Kowshik Anna

Partner
Membership Number: 244172
UDIN No: 23244172BGQKYK2637

Place: Hyderabad
Date: May 16, 2023

BALANCE SHEET

as at March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(a)	18,154.96	17,202.83
(b) Capital work-in-progress	3(a)	181.50	369.82
(c) Right-of-use asset	3(b)	75.31	76.12
(d) Investment property	4	8.02	8.02
(e) Intangible assets	5	707.16	758.67
(f) Financial assets			
(i) Investments	6	521.00	531.00
(g) Income tax assets (net)	8	66.64	324.88
(h) Other non-current assets	9	453.14	695.60
Total non-current assets		20,167.73	19,966.94
II Current assets			
(a) Inventories	10	7,974.01	3,769.96
(b) Financial assets			
(i) Trade receivables	11	5,366.64	7,048.16
(ii) Cash and cash equivalents	12	35.82	42.37
(iii) Bank balances other than (ii) above	13	662.65	429.87
(iv) Loan	7	3.87	3.63
(c) Other current assets	9	1,688.46	1,080.06
Total current assets		15,731.45	12,374.05
TOTAL ASSETS		35,899.18	32,340.99
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	14	1,075.22	1,075.22
(b) Other equity		18,429.92	17,927.72
Total equity		19,505.14	19,002.94
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	228.93	508.00
(ii) Other financial liabilities	16	8.65	8.65
(b) Provisions	17	701.20	532.71
(c) Deferred tax liabilities (net)	18	843.20	684.93
Total non-current liabilities		1,781.98	1,734.29
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	8,494.42	7,537.56
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note: 36)		9.75	8.10
- dues to others		1,570.27	2,110.21
(iii) Other financial liabilities	16	1,148.44	939.21
(b) Other current liabilities	19	3,246.00	819.82
(c) Provisions	17	134.33	180.01
(d) Current tax liabilities (net)	20	8.85	8.85
Total current liabilities		14,612.06	11,603.76
Total liabilities		16,394.04	13,338.05
TOTAL EQUITY AND LIABILITIES		35,899.18	32,340.99

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Srihari Pakalapati
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna

Partner
Membership number: 244172

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 16, 2023

STATEMENT OF PROFIT AND LOSS

for the Year Ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	21	20,203.01	19,912.77
II Other income	22	215.66	189.68
III Total income (I+II)		20,418.67	20,102.45
IV Expenses			
Cost of raw materials consumed	23	10,766.97	9,374.31
Purchases of stock in trade		697.17	165.51
Changes in inventories of finished goods, work-in-progress and scrap	24	(2,769.10)	185.26
Employee benefits expense	25	5,093.85	4,626.65
Finance costs	26	919.26	750.76
Depreciation and amortisation expense	27	982.25	937.48
Research and development expenses	28	40.51	60.91
Other expenses	29	3,792.07	3,271.81
Total expenses (IV)		19,522.98	19,372.69
V Profit before tax (III-IV)		895.69	729.76
VI Income tax expense			
Current tax	30	67.00	(26.21)
Deferred tax	30	160.20	193.96
Total tax expense		227.20	167.75
VII Profit for the year (V-VI)		668.49	562.01
VIII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	25(D)	(6.94)	(83.10)
Income tax relating to above	30	1.93	23.12
B Items that will be reclassified to profit or loss		-	-
Income tax relating to above		-	-
Other comprehensive income after tax for the year (VIII)		(5.01)	(59.98)
IX Total comprehensive income for the year (VII+VIII)		663.48	502.03
X Earnings/(Loss) per share (par value of ₹ 10 each)	40		
Basic		6.22	5.23
Diluted		6.22	5.23

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kowshik Anna

Partner
Membership number: 244172

Secunderabad
May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before income tax	895.69	729.76
Adjustments for:		
Depreciation and amortisation expense	982.25	937.48
Unrealised foreign exchange (gain)(net)	(5.23)	(18.11)
Expected credit loss provision no longer required written back (net)	-	(20.85)
Provision for Expected credit loss	64.43	-
Excess liabilities no longer required	(92.30)	-
Credit balances written back	(36.64)	(24.81)
Interest income	(70.20)	(49.30)
Investment written off	12.00	-
Finance costs	919.26	750.76
Bad debts written off	138.98	210.93
Loss on sale of Property, plant and equipment	42.79	-
Book deficit on assets discarded	0.04	1.99
Operating profit before working capital changes	2,851.07	2,517.85
Adjustments for		
Trade receivables and other assets	985.50	(2,592.03)
Inventories	(4,204.05)	(97.89)
Trade payables, other liabilities and provisions	2,137.23	260.16
Cash generated from operating activities	1,769.75	88.09
Income taxes (paid)/ Refund	191.24	(67.75)
Net cash generated from operating activities (A)	1,960.99	20.34
B Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,420.12)	(1,443.03)
Payments for investment in joint venture	(2.00)	-
Insurance claims received against property, plant and equipment	-	18.45
Proceeds from disposal /sale of property, plant and equipment	29.43	-
Redemption in bank deposits (having original maturity of more than three months) (net)	(234.77)	33.39
Interest received	70.20	114.05
Net cash inflow / (outflow) from investing activities (B)	(1,557.26)	(1,277.14)
C Cash flows from financing activities		
(Repayment)/ Proceeds from non-current borrowings (net)	(279.07)	(514.40)
(Repayment)/ Proceeds from current borrowings (net)	950.09	2,476.14
Finance costs	(920.02)	(752.76)
Dividends paid to company's shareholders	(161.28)	-
Net cash inflow / (outflow) from financing activities (C)	(410.28)	1,208.98
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6.55)	(47.82)
Exchange difference on translation of foreign currency cash and cash equivalents*	-	-
Cash and cash equivalents at the beginning of the year	42.37	90.19
E Cash and cash equivalents at end of the year	35.82	42.37
F Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (Refer note :12)	35.82	42.37
Balance as per statement of cash flows	35.82	42.37

The accompanying notes are an integral part of the financial statements

* Amount is below the rounding off norms

1 The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

2 Previous year figures have been regrouped /reclassified to conform to current year classification.

3 Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our report of even date

For and on behalf of the Board

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Srihari Pakalapati
Chief Financial OfficerDr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna

Partner

Membership number: 244172

K. Jhansi Laxmi
Company SecretaryT.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad

May 16, 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital						
		Note	No. of shares	Amount		
Issued, subscribed and paid up Equity shares of ₹ 10/- each						
As at April 1, 2021			1,07,52,239	1,075.22		
Change during the year			-	-		
As at March 31, 2022			1,07,52,239	1,075.22		
Change during the year				-		
As at March 31, 2023	14		1,07,52,239	1,075.22		
B Other equity						
	Reserves & surplus				Other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at April 1, 2021	20.53	7724.08	1700.00	8261.99	(280.91)	17425.69
Profit for the year	-	-	-	562.01	-	562.01
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(59.98)	(59.98)
	-	-	-	562.01	(59.98)	502.03
Balance as at March 31, 2022	20.53	7,724.08	1,700.00	8,824.00	(340.89)	17,927.72
Balance as at April 1, 2022	20.53	7,724.08	1,700.00	8,824.00	(340.89)	17,927.72
Profit for the year	-	-	-	668.49	-	668.49
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(5.01)	(5.01)
	-	-	-	668.49	(5.01)	663.48
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(161.28)	-	(161.28)
Balance as at March 31, 2023	20.53	7,724.08	1,700.00	9,331.21	(345.90)	18,429.92

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023 (Continued)

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents share application money received from allottees and forfeiture due to non payment of remaining call money within due date as per terms of issue.

(ii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iv) Retained earnings

This reserve represents the cumulative profits of the company. It includes land revaluation amount of ₹ 5,570.59 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kowshik Anna

Partner
Membership number: 244172

Secunderabad
May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

NOTES TO FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

1. Background

- 1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.
- 1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.
- 1.3 The Standalone financial statements are approved for issue by the Company's Board of Directors on May 16, 2023.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of standalone financial statements

(i) Compliance with Ind AS

The Standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

(ii) Historical cost convention

The Standalone financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) Current and non-current classification

An asset is classified as current, if

- (i) It is expected to be realized or sold or consumed in the company's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;

- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is 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 classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has 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.

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. Managing Director has been identified as being the Chief Operating Decision Maker. The company is engaged in the business of "High Energy Materials" and has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the company has disclosed segment information only on the basis of consolidated standalone financial statements.

2.3 Functional and presentation currency

(i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone

financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.4 Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 25(a)(ii)]
- Estimation of expected credit loss on financial assets [refer note: 32(A)]
- Estimation of useful life of property, plant and equipment [refer note: 2.6]
- Estimation of useful life of intangible asset [refer note: 2.7]
- Estimation of Variable consideration [refer note :2.5]

2.5 Revenue recognition

Sale of Products - Recognition & Measurement

Revenue from the sale of products is recognised at the point

in time when the products are delivered to the customer (as it considered as that customer has obtained the control / legal title has been transferred) as per the terms of the contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

For revenues disaggregated by geography and timing of recognition [refer note 21]

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.

Variable consideration

- Liquidated damages and penalties are accounted as per the contract terms wherever there is a delay / default attributable to the Company and when there is a reasonable certainty with which the same can be estimated.
- The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

Sale of Services- Recognition & Measurement

Revenue from operations and maintenance services are recognised on output basis measured by efforts expended, number of transactions processed, etc.

Some contracts include multiple deliverables, such as the sale of products required for maintenance services. It is therefore accounted for as a separate performance obligation. The revenue from sale of products is recognised at a point in time when the product is delivered, the legal title has been passed and the customer has accepted the product.

Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other income in the Statement of profit and loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest

rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.6 Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the company has elected the option of fair value as deemed cost of land as at April 01, 2016.

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in

accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing ₹ 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.7 Intangible assets and amortisation

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.

(i) Computer software

Costs associated with maintaining software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- the expenditure attributable to the software during its development can be reliably measured.

(ii) Transfer of Technology

Separately acquired transfer of technology are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Other Licence

Separately acquired licence are shown at historical cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(iv) Amortisation methods and periods

The company amortises intangible assets using the straight-line method over the following periods:

- Computer software – 3 years based on their estimated useful lives.
- Transfer of Technology – is amortised over the license period.
- Other Licence - 5 years.

All intangible assets are tested for impairment. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the Statement of profit and loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and/or impairment losses.

2.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the amount of proceeds, net of direct costs of the capital issue.

2.9 Financial instruments

Classification, initial recognition and measurement

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. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - 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. There are three measurement categories into which the company classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures are measured at cost less impairment as per Ind AS 27.

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.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Buyers credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months, where these arrangements are for raw materials with a maturity of up to twelve months.

Packing credit

The company enters into arrangements whereby financial institutions will provide working capital based on the export order. These are normally settled up to twelve months.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.10 Impairment of assets

Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit

risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, plant & equipment and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.12 Inventories

- (i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.
- (iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.
- (iv) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

- (v) Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of

set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where

the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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 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.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually

certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund
- (c) State plans
- (d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

(d) Voluntary retirement scheme

Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim

dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.18 Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Product development costs are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.21 Government grants

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export entitlements from government authorities are recognised in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the group, and where there is no significant uncertainty regarding the ultimate realisation of the entitlement

2.22 Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.23 Recent accounting pronouncements (Standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 (a): Property, plant and equipment (Own Assets)

Particulars	Freehold land	Freehold buildings	Plant and machinery	Plant and Machinery Plant and machinery	Research and development equipment	Furniture, fittings and equipment	Vehicles	Data processing equipment	Total property, plant and equipment	Capital work-in-progress
Year ended March 31, 2022										
Gross carrying amount										
Opening gross carrying amount	6,059.76	6,482.45	8,011.95	337.34	228.33	220.05	89.13	21,429.01	175.65	
Additions	465.21	149.45	174.63	-	12.69	2.29	2.87	807.14	246.93	
Disposals	-	(13.65)	(51.21)	-	(0.16)	-	(0.59)	(65.61)	(52.76)	
Closing gross carrying amount	6,524.97	6,618.25	8,135.37	337.34	240.86	222.34	91.41	22,170.54	369.82	
Accumulated depreciation										
Opening accumulated depreciation	-	816.86	2,878.00	129.92	160.35	111.75	68.98	4,165.86	-	
Depreciation charge during the year	-	330.72	450.18	26.97	12.73	19.86	6.56	847.02	-	
Disposals	-	(7.23)	(37.22)	-	(0.15)	-	(0.57)	(45.17)	-	
Closing accumulated depreciation	-	1,140.35	3,290.96	156.89	172.93	131.61	74.97	4,967.71	-	
Net carrying amount as at March 31, 2022	6,524.97	5,477.90	4,844.41	180.45	67.93	90.73	16.44	17,202.83	369.82	
Year ended March 31, 2023										
Gross carrying amount										
Opening gross carrying amount	6,524.97	6,618.25	8,135.37	337.34	240.86	222.34	91.41	22,170.54	369.82	
Additions	157.12	788.54	895.13	-	12.77	0.33	20.02	1,873.91	1,758.63	
Disposals	-	-	(204.87)	-	(0.33)	(15.34)	-	(220.54)	(1,946.95)	
Closing gross carrying amount	6,682.09	7,406.79	8,825.63	337.34	253.30	207.33	111.43	23,823.91	181.50	
Accumulated depreciation										
Opening accumulated depreciation	-	1,140.35	3,290.96	156.89	172.93	131.61	74.97	4,967.71	-	
Depreciation charge during the year	-	337.45	445.66	26.58	12.92	18.42	8.49	849.52	-	
Disposals	-	-	(133.42)	-	(0.28)	(14.58)	-	(148.28)	-	
Closing accumulated depreciation	-	1,477.80	3,603.20	183.47	185.57	135.45	83.46	5,668.95	-	
Net carrying amount as at March 31, 2023	6,682.09	5,928.99	5,222.43	153.87	67.73	71.88	27.97	18,154.96	181.50	

Notes to Property, plant and equipment

- Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 41 for information on property, plant and equipment provided as security by the company.

3) Aging of capital work-in-progress as at March 31, 2023

	Amount in capital work-in-progress for				Total
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	
(a) Projects in Progress	181.50	-	-	-	181.50
(b) Projects temporarily Suspended	-	-	-	-	-
	181.50	-	-	-	181.50

4) Aging of capital work-in-progress as at March 31, 2022

	Amount in capital work-in-progress for				Total
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	
(a) Projects in Progress	237.01	41.17	60.18	31.46	369.82
(b) Projects temporarily Suspended	-	-	-	-	-
	237.01	41.17	60.18	31.46	369.82

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3(b): Right -of -use asset

	As at March 31, 2023	As at March 31, 2022
Land (Gross Carrying value)	80.16	80.16
Opening accumulated depreciation	(4.04)	(3.23)
Depreciation	(0.81)	(0.81)
Total Right -of -use asset	75.31	76.12

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Note 4: Investment property

	As at March 31, 2023	As at March 31, 2022
Land	8.02	8.02
Net carrying amount	8.02	8.02

Fair value of the investment property determined by a recognised independent valuer Mr. K. Anjaneyulu, based on valuation as at April 1, 2016 is ₹ 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations. (Pricing model approach Level 3).

Note 5: Intangible assets (acquired)

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	54.98	778.60	-	833.58
Additions	-	32.77	162.18	194.95
Closing gross carrying amount	54.98	811.37	162.18	1028.53
Accumulated amortisation				
Opening accumulated amortisation	40.27	139.94	-	180.21
Amortisation charge during the year	6.70	80.19	2.76	89.65
Closing accumulated amortisation	46.97	220.13	2.76	269.86
Closing net carrying amount as at March 31, 2022	8.01	591.24	159.42	758.67
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	54.98	811.37	162.18	1,028.53
Additions	0.60	79.81	-	80.41
Closing gross carrying amount	55.58	891.18	162.18	1108.94
Accumulated amortisation				
Opening accumulated amortisation	46.97	220.13	2.76	269.86
Amortisation charge during the year	2.00	97.48	32.44	131.92
Closing accumulated amortisation	48.97	317.61	35.20	401.78
Net carrying amount as at March 31, 2023	6.61	573.57	126.98	707.16

Technology transfer rights (Transfer of Technology) provided by Defence Research and Development Organisation (DRDO), High Energy Materials Research Laboratory (HEMRL), Balkan Novotek DOO, Adron R&D Company Limited and Indian Space Research Organisation (ISRO) to the Company for manufacturing of products for Indian Armed Forces which is amortised over the license period.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 6: Non-current investments		
(Un quoted, fully paid up)		
Investment in equity instruments in subsidiary companies (at cost)		
Premier Wire Products Limited 52,00,000 (March 31, 2022: 52,00,000) equity shares of ₹ 10/- each, fully paid	520.00	520.00
PELNEXT Defence Systems Private Limited 10,000 (March 31, 2022: 10,000) equity shares of ₹ 10/- each fully paid	1.00	1.00
Investment in equity instruments in joint venture (at cost)		
BF Premier Energy Systems Private Limited Nil (March 31, 2022: 1,00,000) equity shares of ₹ 10/- each, fully paid	-	10.00
	521.00	531.00
Total Non-current investments	521.00	531.00
Aggregate amount of unquoted investments	521.00	531.00
Aggregate amount of impairment in the value of investments	-	-

Note 7: Loan

(i) Current

Loan considered good -unsecured		
Loan to related parties* (Refer note: 38)	3.87	3.63
Total Loans	3.87	3.63

*Financial assets carried at amortised cost

Note 7(a): The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of the Regulation 34(3) read together with para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

PELNEXT Defence Systems Private Limited

Outstanding at year end	3.87	3.63
Maximum outstanding	3.87	3.63

Note :The Loan to subsidiary representing the inter corporate loan given to its subsidiary to meet its business needs and exigencies which carries interest.

Note 7(b): Amounts repayable on demand

Type of Borrowers	As at March 31, 2023		As at March 31, 2022	
	Amount of Loan	Percentage to total Loans	Amount of Loan	Percentage to total Loans
Related Party	3.87	100%	3.63	100%

Note 8 : Income tax assets (net)

(i) Non current

	As at March 31, 2023	As at March 31, 2022
Advance taxes (net of provision for tax of ₹ 67.00 lakhs; March 31, 2022 : ₹ 496 lakhs)	66.64	324.88
Total Income tax assets (net)	66.64	324.88

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 9 : Other assets		
(i) Non current		
Capital advances	206.39	345.16
Advances other than capital advances:		
Security deposits	196.62	215.07
Pre-paid expenses	50.13	135.37
Total other non-current assets	453.14	695.60
(ii) Current		
Balances with government authorities	560.75	201.33
Prepaid expenses	210.71	200.81
Advances to suppliers	817.12	567.52
Other receivable	99.88	110.40
Total other current assets	1,688.46	1,080.06

Note 10: Inventories (valued at lower of cost and net realisable value)

Raw materials	3,049.16	1,480.72
Work-in-progress	3,251.55	1,229.20
Finished goods	1,100.81	353.34
Stores and spares	570.72	704.21
Scrap (at net realisable value)	1.77	2.49
Total inventories	7,974.01	3,769.96
Raw materials includes stock in transit	492.00	-

Note 10 (a): Refer note 41 for information on inventories provided as security by the company.

Note 10 (b): Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note 11: Trade receivables

(i) Current		
Trade receivables from contract with customer - Billed	5,714.22	7,268.28
Trade receivables from contract with customer - Unbilled	241.47	304.50
Less: Provision for expected credit loss (Refer Note:32(A))	589.05	524.62
Total current trade receivables	5,366.64	7,048.16

Note 11 (a): Refer note 41 for information on trade receivable provided as security by the company.

Note 11 (b): Break-up of security details

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,955.69	7,572.78
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	5,955.69	7,572.78
Less: Provision for expected credit loss (Refer note:32(A))	589.05	524.62
Total trade receivables	5,366.64	7,048.16

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11(c): Trade Receivables ageing as at March 31, 2023

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	1,564.53	2065.48	1051.63	325.75	87.99	824.58	5,919.96
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	35.73	35.73
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(d): Trade Receivables ageing as at March 31, 2022

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	2,855.46	3,221.18	537.75	182.88	67.06	675.77	7,540.10
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	32.68	32.68
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(e): Transferred Receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, company has transferred the relevant receivables to the Banks / Financial Institutions ("factor") in exchange for cash. However, company has retained trade payment and credit risk. The company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The company consider that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

	As at March 31, 2023	As at March 31, 2022
Total Transferred Receivables	-	645.11
Associated secured borrowing (Refer Note No :15(ii))	-	(336.37)

Note 12: Cash and cash equivalents

Balances with banks		
in current accounts	8.01	13.78
in EEFC accounts	0.10	0.66
Deposits with banks with original maturity is less than three months	25.97	24.53
Cash on hand	1.74	3.40
Total cash and cash equivalents	35.82	42.37

*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 13: Bank balances other than cash and cash equivalents		
Earmarked balances with bank *	15.96	17.95
Deposits with original maturity over 3 months but less than 12 months	72.06	66.64
Margin money deposits with banks	574.63	345.28
Total Bank balances other than cash and cash equivalents	662.65	429.87

* Earmarked balances represent unpaid dividend.

Note 14: Equity share capital

Movement of equity share capital during the year

Authorised

(face value of each ₹ 10/-)	No of shares	Amount
As at April 1, 2021	15,000,000	1,500.00
Change during the year	-	-
As at March 31, 2022	15,000,000	1,500.00
Change during the year	-	-
As at March 31, 2023	15,000,000	1,500.00

Issued, subscribed and paid up

(face value of each ₹ 10/-)	No of shares	Amount
As at April 1, 2021	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2022	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2023	10,752,239	1,075.22

Preferential allotment

During the Financial year 2017-18 the company has made preferential allotment of 1,15,100 equity shares of ₹ 10 each at ₹ 408 per share, including a premium of ₹ 398 per share to promoters 1,00,100 shares and others 15,000 shares. Thus the equity share capital has increased by ₹ 11.51 lakhs and securities premium by ₹ 458.10 lakhs.

(iii) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Dr. A.N.Gupta	2,620,183	24.37%	2,620,183	24.37%
Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	1,167,467	10.86%
A. N. Gupta (HUF)	656,697	6.11%	656,697	6.11%
Dilip Kumar Lakhi	707,464	6.58%	691,530	6.43%

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2023		% Change during the year	As at March 31, 2022		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	2,620,183	24.37%	0.00%	2,620,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	0.00%	1,167,467	10.86%	0.00%
3) A. N. Gupta (HUF)	656,697	6.11%	0.00%	656,697	6.11%	0.00%

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- 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 except in case of interim dividend.

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.

	As at March 31, 2023	As at March 31, 2022
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Note 15: Borrowings

(i) Non-current

Term loans		
Secured -At Amortised Cost		
From banks	507.93	1,014.63
Less: Current maturities of long-term debt	(279.00)	(506.63)
Total Non current borrowings	228.93	508.00

Note 15 (a): Above secured term loans are secured by first charge on the Non current assets of the company and second charge on current assets of the company and personal guarantee by Chairman and Managing Director of the company.

Note 15 (b): Repayment terms: Secured term loan comprises of 24 equal monthly instalments of ₹14.92 lakhs each & 18 equal monthly instalments of ₹8.33 lakhs with an applicable interest rate lies 7.2% to 9.25% respectively as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.30	5,918.77	4,352.85
Buyers credit from bank	3 to 6	202.55	501.99
Packing credit	4.5 to 7	1,158.52	935.87
Factored payable	2.85 to 3.15	-	336.37
Current maturities of long-term borrowings	7.40 to 9.25	279.00	506.63
Interest accrued but not due		6.91	7.67
Unsecured -At Amortised Cost			
Loans from related parties (Refer note: 38)	7 to 9.70	928.67	896.18
Total current borrowings		8,494.42	7,537.56

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and fixed assets of the company and personal guarantee of two directors of the company.

Note 15(d): Factored payable are secured by first charge on trade receivables subject to factoring arrangement.

Note 15(e): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

	As at March 31, 2023	As at March 31, 2022
Note 16: Other financial liabilities		
i) Non-current		
Dealership deposits	2.20	2.20
Earnest money deposits	6.45	6.45
	8.65	8.65
ii) Current		
Unclaimed dividend (Refer note: 16.1)	15.96	17.95
Capital creditors	299.99	92.88
Employee benefits payable	386.70	416.30
Creditors for expenses	445.79	412.08
Total other financial liabilities	1,148.44	939.21

Note 16.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 17: Provisions

Employee benefit obligations		
i) Non-current		
Gratuity (Refer note : 25(a))	524.21	374.13
Leave encashment	176.99	158.58
Total	701.20	532.71
ii) Current		
Gratuity (Refer note : 25(a))	64.93	110.39
Leave encashment	69.40	69.62
Total	134.33	180.01

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 18: Deferred tax liabilities (net)		
The balance comprises temporary differences attributable to:		
Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,067.84	2,002.81
Mat Credit Entitelement	(67.00)	-
Provision for expected credit loss	(163.87)	(145.95)
Expenses allowable on the basis of payment	(337.08)	(372.15)
Carry forwarded losses	(656.69)	(799.78)
Deferred tax (assets) / liabilities (net)	843.20	684.93

Movement in deferred tax (assets) / liabilities

	Property, plant and equipment	Provision for expected credit loss	Carry forwarded losses	Expenses allowable on the basis of payment	Deferred tax on transaction cost on borrowings	Total
As at April 1, 2021	1,850.34	(151.75)	(760.13)	(424.53)	0.16	514.09
Charged / (credited)						-
- to profit or loss	152.47	5.80	(39.65)	75.50	(0.16)	193.96
- to other comprehensive income	-	-	-	(23.12)	-	(23.12)
As at March 31, 2022	2,002.81	(145.95)	(799.78)	(372.15)	-	684.93
Charged / (credited)						-
- to profit or loss	65.03	(17.92)	143.09	37.00	(67.00)	160.20
- to other comprehensive income	-	-	-	(1.93)	-	(1.93)
As at March 31, 2023	2,067.84	(163.87)	(656.69)	(337.08)	(67.00)	843.20

Note 19: Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory taxes payable	59.71	65.06
Advance from customers	3,186.29	754.76
Total other current liabilities	3,246.00	819.82

Note 20: Current tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Interest on income tax	8.85	8.85
Total current tax liabilities	8.85	8.85

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 21: Revenue from operations		
Revenue from contracts with customers		
- Sale of products	16,022.71	17,468.91
- Sale of traded goods	723.30	166.09
- Sale of services	3,407.54	2,226.35
	20,153.55	19,861.35
Other operating revenue	49.46	51.42
Total revenue from operations	20,203.01	19,912.77

Disaggregation of revenue from contracts with customers

The company derives revenue from transfer of goods and services from the following geographical locations.

Geographical location		
- India	16,858.43	17,192.63
- Other countries	3,344.58	2,720.14
Total	20,203.01	19,912.77

Information about major customers:

Two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2023 and two customer represents 10% or more of the Company's total revenue during the year ended March 31, 2022.

Contract Price Reconciliation

Contract Price	20,457.62	20,148.91
Less: Variable consideration	254.61	236.14
	20,203.01	19,912.77

Note 22: Other income

Interest income from financial assets measured at amortised cost	70.20	49.30
Net gain on foreign currency transactions and translations	-	73.56
Expected credit loss provision no longer required written back (net)	-	20.85
Excess liabilities no longer required	92.30	-
Credit balances written back	36.64	24.81
Other non-operating income	16.52	21.16
Total other income	215.66	189.68

Note 23: Cost of raw materials consumed

Raw materials at the beginning of the year	1,480.72	1,313.64
Add: Purchases	12,335.41	9,541.39
Less: Raw materials at the end of the year	(3,049.16)	(1,480.72)
Total cost of raw materials consumed	10,766.97	9,374.31

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 24: Changes in inventories of finished goods, work-in-progress and scrap		
Opening balance		
Finished goods	353.34	1,154.01
Work-in-progress	1,229.20	611.72
Scrap	2.49	4.56
Total opening balance	1,585.03	1,770.29
Closing balance		
Finished goods	1,100.81	353.34
Work-in-progress	3,251.55	1,229.20
Scrap	1.77	2.49
Total closing balance	4,354.13	1,585.03
Changes in inventories of finished goods, work-in-progress and scrap	(2,769.10)	185.26

Note 25: Employee benefits expense

Salaries, wages, bonus and other allowances	4,564.82	4,192.68
Contribution to provident fund and other funds	297.07	212.71
Contribution to ESI	14.72	12.94
Staff welfare expenses	217.24	208.32
Total employee benefits expense	5,093.85	4,626.65

Note 25(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to Provident Fund	194.34	190.03
Employer's contribution to ESI	14.72	12.94

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Gratuity (funded)

A) Reconciliation of opening and closing balances of defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at beginning of the year	1,110.50	1,097.53
Current service cost	67.52	16.40
Interest cost	78.09	17.06
Actuarial (gain) / loss	7.61	119.70
Benefits paid	(78.63)	(140.19)
Defined benefit obligation at year end	1,185.09	1,110.50

B) Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at beginning of year	625.98	718.79
Expected return on plan assets	42.95	10.77
Actuarial (gain) / loss	0.65	36.60
Employer's contribution	5.00	-
Benefits paid	(78.63)	(140.18)
Fair value of plan assets at year end	595.95	625.98

C) Reconciliation of fair value of assets and obligations

Fair value of plan assets	595.95	625.98
Present value of obligation	1,185.09	1,110.50
Amount recognised in balance sheet, surplus/(deficit)	(589.14)	(484.52)

D) Expenses recognised during the year

	For the year ended March 31, 2023	For the year ended March 31, 2022
In income statement		
Current service cost	67.52	16.40
Interest cost	78.09	17.06
Return on plan assets	(42.95)	(10.77)
Net cost	102.66	22.69
In other comprehensive income		
Actuarial (gain) / loss	(6.96)	(83.10)
	109.62	105.79

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.48%	7.29%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	55/58- Years	55/58- Years
Average balance future services	14.87	14.87
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	1,185.09	1,110.50
Discount rate: (% change compared to base due to sensitivity)		
Increase : +1%	1,110.10	1,041.37
Decrease: -1%	1,268.78	1,187.79
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,277.58	1,195.95
Decrease: -1%	1,101.00	1,032.98
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,201.10	1,124.48
Decrease: -1%	1,167.47	1,095.11

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 7.73 years (March 31, 2022:7.62 years). The expected cash flows over the years is as follows:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation - gratuity		
Less than a year	65.99	110.39
Between 2-5 years	460.46	379.06
Over 6 years	1,429.80	760.89

Risk management

Defined benefit plans are prone to a number of risks, the most significant of which are detailed below:

Interest rate risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Salary cost inflation risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities carried at amortised cost	648.60	584.60
Other borrowing costs	270.66	166.16
Total finance costs	919.26	750.76

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	849.52	847.02
Depreciation of right-of-use assets	0.81	0.81
Amortisation of intangible assets	131.92	89.65
Total depreciation and amortisation expense	982.25	937.48

Note 28: Research and development expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials consumed	11.94	8.16
Salaries, wages, bonus and other allowances.	27.71	51.22
Contribution to provident and other funds.	0.86	1.53
Contribution to ESI.	-	-
Total research and development expenses	40.51	60.91

Note 29: Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	147.48	40.73
Consumption of packing materials	245.80	352.52
Power and fuel	366.89	254.60
Repairs and maintenance		
- Plant and machinery	556.28	434.53
- Buildings	32.25	9.12
- Others	159.75	139.59
Insurance	84.43	154.43
Rent	57.18	17.02
Rates and taxes, excluding taxes on income	66.17	86.00
Legal and professional charges	106.08	88.83
Directors sitting fees	10.80	12.80
Travelling and conveyance	261.41	206.61
Sales commission	240.23	97.97
Carriage outward	564.76	561.06
Other selling expenses	110.86	200.47
Payments to auditors	22.78	24.15

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Bad debts written off*	138.98	210.93
Book deficit on assets discarded	0.04	1.99
Donations	6.59	13.90
Provision for Expected credit losses	64.43	-
Corporate social responsibility expenditure	8.87	11.86
Security charges	141.39	117.15
Investments written off	12.00	-
Testing fees	32.25	38.47
Loss on sale of property, plant & equipment	42.79	-
Net loss on foreign currency transactions and translations	110.13	-
General expenses	201.45	197.08
Total other expenses	3,792.07	3,271.81

* Mainly on account of Late delivery charges of ₹ 51.20 Lakhs (2021-22 ₹ 62.32 Lakhs), Powder Factor deduction of ₹ 33.32 Lakhs (2021-22 : 29.90 lakhs /-) and other deductions of ₹ 54.46 Lakhs (2021-22 : ₹ 118.71 Lakhs)

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to auditors		
As auditors		
As Statutory auditor	8.50	7.50
For Quarterly reviews	7.50	6.75
In other capacities		
For GST Audit	-	3.00
For Review and certifications	5.30	5.70
Re-imbursment of expenses	1.48	1.20
Total payments to auditors	22.78	24.15

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent as per section 135 of the Act	-	-
Amount of expenditure incurred during the year on		
(i) Promoting education	1.97	0.60
(ii) Promoting healthcare	6.90	11.26
Total Amount spent during the year	8.87	11.86
Shortfall at the end of previous year	-	-
Total of Previous years short fall	-	-
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Income tax expense

This note provides an analysis of the company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	67.00	-
Adjustments for current tax of prior periods	-	(26.21)
Total current tax expense	67.00	(26.21)
Deferred tax		
Decrease/ (increase) in deferred tax assets	208.12	112.82
(Decrease)/ increase in deferred tax liabilities	(47.92)	81.14
Total deferred tax expense/(benefit)	160.20	193.96
Income tax expense	227.20	167.75

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit /(loss)from operations before income tax expenses	895.69	729.76
Income tax expense		
Tax at the rate of 26%	232.88	189.74
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	9.53	20.40
Weighted deduction on research and development	-	(6.58)
Tax effect of expenses not allowed for tax purpose	16.55	-
Tax effect of expenses relating to voluntary retirement scheme	(45.71)	(45.71)
Tax effect of items in other comprehensive income considered for income tax	1.93	23.12
Adjustments for current tax of prior periods	-	(26.21)
Tax effect on others	12.02	12.99
Income tax expense	227.20	167.75

Note 31 : Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). 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 entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

The following table represents the fair value hierarchy of assets and liabilities:

	Fair value hierarchy	Notes	As at March 31, 2023		As at March 31, 2022	
			Carrying value	Fair value	Carrying value	Fair value
A. Financial assets						
Measured at amortised cost						
Cash and cash equivalents	Level -3	12	35.82	35.82	42.37	42.37
Other bank balances	Level -3	13	662.65	662.65	429.87	429.87
Trade receivables	Level -3	11	5,366.64	5,366.64	7,048.16	7,048.16
Loans	Level -3	7	3.87	3.87	3.63	3.63
Total financial assets			6,068.98	6,068.98	7,524.03	7,524.03
B. Financial liabilities						
Measured at amortised cost						
Trade payables	Level -3		1,580.02	1,580.02	2,118.31	2,118.31
Borrowings	Level -3	15	8,723.35	8,723.35	8,045.56	8,045.56
Other financial liabilities	Level -3	16	1,157.09	1,157.09	947.86	947.86
Total financial liabilities			11,460.46	11,460.46	11,111.73	11,111.73

Note:

- Investments mentioned in note 6 include equity investments in Subsidiaries and Joint venture which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.
- The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables, unbilled receivable and other financial assets are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Note 32 : Financial instruments and risk management - Financial risk management

The Company's activities are exposed to Credit risk, Market risk and Liquidity risk. The Company emphasises on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and devises appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The Company follows a 'simplified approach' (i.e. based on Life time expected credit losses) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Particulars	As at March 31, 2023	As at March 31, 2022
Expected credit losses (ECL)		
Opening balance	524.62	545.47
Less: No longer required written back	-	(20.85)
Add: ECL Movement during the year	64.43	-
Closing balance	589.05	524.62

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk

Market risk is the risk that the future value of a financial instrument will fluctuate due to movements in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- Interest rate risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

Foreign currency risk - Sensitivity

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date

	As at March 31, 2023			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	1,361,206	-	1,119.14
Balance with banks	-	123	-	0.10
Deposits recoverable	-	1,325	-	0.89
Total	-	1,362,654	-	1,120.13
Foreign currency liabilities				
Payables for supplies and services		82,577		67.89
Current borrowings		610,000	226,038	704.07
Capital Creditors	2,032			1.94
Total	2,032.00	692,576.78	226,037.50	773.90
Net foreign currency assets / (liabilities)	(2,032)	670,077	(226,038)	346.23
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	150,173	-	123.75
Advance for capital items	-	14,300	-	11.85
Advance from customers	-	2,891,649	-	2,369.38

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	363,585	175,432	423.38
Balance with banks	-	876	-	0.66
Deposits Recoverable	-	1,325	-	0.89
Total	-	365,786	175,432	424.93
Foreign currency liabilities				
Payables for supplies and services	-	72,981	435,491	422.18
Current borrowings	-	1,144,220	1,032,702	1,737.27
Capital Creditors	2,032	-	-	1.94
Total	2,032	1,217,201	1,468,193	2,161.39
Net foreign currency assets / (liabilities)	(2,032)	(851,415)	(1,292,761)	(1,736.46)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	24,142	149,252	144.84
Advance from customers	-	649,851	-	487.63

2.5% increase or decrease in foreign exchange rates will have the following impact on profit / (loss) before tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
GBP	0.05	0.05
USD	13.80	(16.19)
EURO	(5.06)	(27.28)

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The company invests its surplus funds in deposits with maturity of 12 months, which carry no / low mark to market risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	< 1 Year	1-3 Years	> 3 Years	Total
Year ended March 31, 2023				
Non-current borrowings	-	228.93	-	228.93
Current borrowings	8,494.42	-	-	8,494.42
Trade and other payable	1,580.02	-	-	1,580.02
Other financial liabilities	1,148.44	8.65	-	1,157.09
Total financial liabilities	11,222.88	237.58	-	11,460.46
Year ended March 31, 2022				
Non-current borrowings	-	508.00	-	508.00
Current borrowings	7,537.56	-	-	7,537.56
Trade and other payable	2,118.31	-	-	2,118.31
Other financial liabilities	939.21	8.65	-	947.86
Total financial liabilities	10,595.08	516.65	-	11,111.73

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Capital management

- (a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2023	As at March 31, 2022
Net debt*	8,040.84	7,591.27
Equity	19,505.14	19,002.94
Total capital (net debt + equity)	27,545.98	26,594.21
Gearing ratio (Net debt / Total capital)	29.19%	28.54%

***Net debt is as follows**

	As at March 31, 2023	As at March 31, 2022
A) Borrowings		
Non-current borrowings	228.93	508.00
Current borrowings	8,494.42	7,537.56
Total (A)	8,723.35	8,045.56
B) Cash and cash equivalents	35.82	42.37
Bank balances other than cash and cash equivalents	646.69	411.92
Total (B)	682.51	454.29
C) Net debt (A-B)	8,040.84	7,591.27

(b) Loan covenants

Under the terms of major borrowing facilities, the company is required to comply with the following financial covenants:

- * Total net worth should be greater than ₹ 60 crores including deferred tax liabilities.
- * Total outside liabilities should be less than 1.25 times of the total net worth of the company
- * Debt service coverage ratio should be greater than 1.50 throughout the tenor of the loan

The company has complied with these covenants throughout the reporting period.

Note 34: Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
On account of letters of credit and guarantees issued by the bankers	9,402.86	4,282.21
Claims against the company not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Income tax (It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings)	61.84	61.84

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 35: Commitments

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,304.91	621.48

Note 36(a): Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the company:

	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid as at year-end	9.75	8.10
Interest due thereon as at year-end	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
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 Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
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 enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

Note: The list of undertakings covered under MSMED was determined by the company on the basis of information available with the Company and has been relied upon by the auditors.

Note 36(b): Ageing of Trade Payables as at March 31, 2023

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	9.75	-	-	-	-	9.75
Others	202.03	1,282.88	41.46	43.85	0.05	1,570.27
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	211.78	1,282.88	41.46	43.85	0.05	1,580.02

Note 36(c): Ageing of Trade Payables as at March 31, 2022

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	8.10	-	-	-	-	8.10
Others	1,231.09	718.20	160.92	-	-	2,110.21
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,239.19	718.20	160.92	-	-	2,118.31

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Interest in other entities

The Company's subsidiaries and Joint venture as at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the company, and the proportion of ownership interests held equals the voting rights held by the company.

Name of the entity	Relationship	Principal activity	Ownership interest	
			As at March 31, 2023	As at March 31, 2022
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised Iron wire	80%	80%
PELNEXT Defence Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%	100%
BF Premier Energy Systems Private Limited	Joint venture (up to March 02, 2023)	Manufacture of defence products	0%	50%

Note 38: Related party transactions

Relationship	Name of related party
(a) Enterprises where control exists	
Wholly owned subsidiary companies	PELNEXT Defence Systems Private Limited
Subsidiaries	Premier Wire Products Limited
Joint venture	BF Premier Energy Systems Private Limited (Up to March 02, 2023)
(b) Key management personnel (KMP)	Dr. A.N. Gupta, Chairman
	Mr. T.V.Chowdary, Managing Director
	Mr. Y. Durga Prasad Rao, Director-Operations
	Dr. (Mrs.) Kailash Gupta, Non Executive Director
	Mr. Anil Kumar Mehta, Independent Director
	Mr. P.R.Tripathi, Independent Director
	Mr. K.Rama Rao, Independent Director
	Dr. A.Venkat Raman, Independent Director
	Mrs. Shonika Prasad, Director Non-executive
	Gen P.R. Kumar, Independent Director
(c) Relatives of key management personnel	Mrs. T. Malati
	Mrs. T. Shruti
(d) Concerns in which key management personnel have substantial interest (significant interest entities)	A.N.Gupta (HUF)
	Vedik Divya Jyothi Gurukul Trust

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties

	Amount of transaction	Amount Receivable/ (Payable)	Amount of transaction	Amount Receivable/ (Payable)
	For the year ended March 31, 2023	As at March 31, 2023	For the year ended March 31, 2022	As at March 31, 2022
Key Management Personnel				
Short term employee benefits				
Managerial remuneration	224.12	(24.37)	400.20	(28.46)
Others				
Repayment of unsecured loan	140.05	(505.69)	22.00	(640.82)
Interest paid	47.80		69.52	
Dividend paid	57.22	-	-	-
Sitting fees	10.80	-	12.80	-
Professional Charges			3.10	-
Capital advance given	50.00	50.00		
Relatives of Key Management Personnel		-		
Dividend paid	0.31	-	-	-
Concerns in which key management personnel have substantial interest (significant interest entities)				
Dividend paid	9.85	-	-	-
Concerns in which the company has substantial interest (subsidiary company)				
Acceptance of unsecured loan	145.00	(422.98)	-	(255.39)
Repayment of unsecured loan	-		53.70	
Purchase of Property, plant and equipment	-		7.30	
Interest paid	27.36		26.06	
Reimbursement of expenses	0.03		1.88	
Rent paid	1.19		1.19	
Concerns in which the company has substantial interest (wholly owned subsidiary company)				
Loan given	-	3.87	1.00	3.63
Reimbursement of expenses	0.12		0.08	
Interest income	0.26		0.28	
Joint Venture				
Purchase of Property, plant and equipment	0.05	-	-	-
Investment made	2.00	-	-	-
Investment written off	12.00	-	-	-
Reimbursement of expenses	0.73	-	-	-
Concerns in which key management personnel have substantial interest				
Purchase of Property, plant and equipment	-	-	345.00	-

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Information regarding significant transactions

(Generally in excess of 10% of the total transaction value of the same type)

Nature of transaction / related party	For the year ended March 31, 2023	For the year ended March 31, 2022
Acceptance of unsecured loans		
Dr. A.N. Gupta	-	-
Premier Wire Products Limited	145.00	-
Interest paid		
Dr. A.N. Gupta	37.93	56.42
Dr. Kailash Gupta	9.87	13.10
Premier Wire Products Limited	27.36	26.06
Managerial remuneration paid*		
Dr. A.N. Gupta	46.06	271.91
Mr. T.V. Chowdary	123.78	85.16
Mr. Y. Durga Prasad Rao	54.28	43.13
Repayment of unsecured loans		
Dr. A.N. Gupta	139.70	8.00
Dr. Kailash Gupta	0.35	14.00
Premier Wire Products Limited	-	53.70
Professional Fess		
Dr. A.N. Gupta	-	3.00
Sitting fees		
Dr. A.N. Gupta	1.70	0.20
Dr. Kailash Gupta	1.90	1.80
Mr. Anil Kumar Mehta	2.10	2.90
Mr. P.R. Tripathi	1.80	2.30
Mr. K. Rama Rao	1.30	2.60
Dr. A. Venkataraman	1.00	1.40
Mr. P.R. Kumar	0.80	1.40
Mrs. Shonika Prasad	0.20	0.20
Purchase of Property, plant and equipment		
Premier Wire Products Limited	-	7.30
Vedik Divya Jyothi Gurukul Trust	-	345.00
BF Premier Energy Systems Pvt Ltd	0.05	-
Capital Advance		
Dr. A.N. Gupta	50.00	-
Rent paid		
Premier Wire Products Limited	1.19	1.19
Loan given		
PEL NEXT Defence Systems Private Limited	-	1.00
Interest income		
PEL NEXT Defence Systems Private Limited	0.26	0.28
Reimbursement of expenses		
Premier Wire Products Limited	0.03	1.88
PEL NEXT Defence Systems Private Limited	0.12	0.08
BF Premier Energy Systems Pvt Ltd	0.73	-
Dividend paid		
Dr. A.N. Gupta	39.30	-
Dr. Kailash Gupta	17.51	-
A.N Gupta (HUF)	9.85	-
Investments Made		
BF Premier Energy Systems Pvt Ltd	2.00	-
Investments Written		
BF Premier Energy Systems Pvt Ltd	12.00	-

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(g) Terms and conditions

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.
- (ii) The loans accepted from key managerial personnel carries interest rate at 10 per annum.
- (iii) All outstanding balances are unsecured and repayable in cash.

Note 39: Donation to political parties

	For the year ended March 31, 2023	For the year ended March 31, 2022
Communist party of India	1.50	1.80
	1.50	1.80

Note 40: Earnings per share (EPS)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Basic & Diluted EPS (₹)		
Earnings per share attributable to the equity holders of the company	6.22	5.23
(b) Reconciliation of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Earnings attributable to the equity holders of the company used in calculating earnings per share	668.49	562.01
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,752,239	10,752,239
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	10,752,239	10,752,239

Note 41 : Assets pledged as security

The carrying amounts of Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	6,068.98	7,524.03
Non financial assets	9,662.47	4,850.02
Collateral security		
non-current assets		
Non financial assets	18,344.48	17,580.67
Towards current borrowings	34,075.93	29,954.72
Non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	18,344.48	17,580.67
Collateral security		
Current assets		
Financial assets	6,065.11	7,520.40
Non financial assets	9,662.47	4,850.02
Towards non-current borrowings	34,072.06	29,951.09

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 42: 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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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)
- (v) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (vi) The Company has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.
- (vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Note 43: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change in Ratio
a) Current ratio(in times)	Current Assets	Current Liabilities	1.08	1.07	1%
b) Debt-Equity ratio(in times)	Total debt	Shareholder's Equity	0.45	0.42	6%
c) Debt service coverage ratio(in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	2.54	2.73	-7%
d) Return on Equity ratio(in %)	Profit after tax	Average Shareholders fund's	3%	3%	0%
e) Inventory turnover ratio(in times)	Sale of Products	Average Inventory	2.73	4.69	-42%
f) Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	3.25	3.46	-6%
g) Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	6.67	5.01	33%
h) Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	18.05	25.85	-30%
i) Net profit ratio(in %)	Profit after tax	Revenue from operations	3.31%	2.82%	0%
j) Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	5.50%	4.65%	1%

Reasons for Variance:

Inventory Turnover Ratio: Change is on account of increase in inventory during the year.

Trade Payables Turnover Ratio: Change is on account of increase in Raw Material purchases during the year.

Net Capital Turnover Ratio : Change on account of increase in Revenue and decrease in working capital.

Note 44 (i): 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(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 44 (ii): No funds have been received by the Company from any person or entity, including foreign entity ("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.

Note 45: Disclosure for struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as 31.03.2023	Relationship with the Struck off company
BF Premier Energy Systems Pvt Ltd	Investment	-	Joint Venture

Note 46: Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting :

	As at March 31, 2023	As at March 31, 2022
On Equity Shares of Rs.10/- each		
Proposed dividend*	182.79	161.28
Proposed dividend per equity share in Rupees	1.70	1.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

Note 47: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kowshik Anna

Partner
Membership number: 244172

Secunderabad
Tuesday, May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

INDEPENDENT AUDITOR'S REPORT

To The Members of PREMIER EXPLOSIVES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PREMIER EXPLOSIVES LIMITED** ("the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/loss in its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant 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 the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated 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) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter (Standalone)	Auditor's Response
1	Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note 11 to the consolidated financial statements, 32.36 % of the trade receivables of the parent company are past due more than 180 days. The most significant portion of the trade receivables over 180days comprises of Public Sector companies and Government organisations which are within their historic payment patterns. Company applies the simplified approach and recognises Expected credit loss (ECL) for trade receivable balances (refer standalone Note No 32(A)). Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics, by grouping days past due of customers. Accordingly, the estimation of the Expected Credit Losses allowances on trade receivables outstanding as at year end is a significant judgement area, hence considered as a key audit matter. (Standalone Trade receivables outstanding as at March 31, 2023 – ₹ 5366.64 lakhs – which is near to 88.43% of total financial assets)	Principal audit procedures performed: We have Performed Audit confirmation procedures and due to non-response of the same, we performed alternative procedures as below to assess the validity outstanding receivables. - We verified payments received subsequent to year-end against the outstanding amounts as on March 31, 2023. - Verified client source documentation to provide evidence for the existence assertion of the receivables. - Performed Analytical procedures for revenue recognised to find out unusual patterns in sales to identify potentially impaired balances. - Enquiries with respective Marketing managers and with those charged with governance about long outstanding customer balances. The assessment of the appropriateness of the ECL allowance for trade receivables comprised of audit procedures including: - We assessed management's ECL impairment model consistent with the requirements of IND AS 109; - We tested the mathematical accuracy of Management's ECL impairment model; - We agreed the data utilised in Management's ECL impairment model at March 31, 2023 to receivables aging report, calculations and other audited information; - We challenged assumptions and judgements made by Management through discussion, comparison to data and our knowledge of the operations as gained through our audit in determining future expected loss rates.

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 Directors report including annexures to directors' report Corporate governance and Management discussion and analysis (MD & A), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports containing other information is expected to be made available to us after the date of this auditor's report.
- 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 when it becomes available, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors.
- When we read the Directors report including annexures to directors report, Corporate governance and Management discussion and analysis (MD & A), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 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 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 joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibility 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 financial 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 Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 joint venture 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 joint venture 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 of the current period 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) We did not audit the financial statements two subsidiaries whose financial statements reflect total assets of ₹ .648.39 Lakhs as at March 31, 2023, total income of ₹ .29.73 Lakhs total net profit after tax and total comprehensive income of ₹ 18.03 lakhs and net cash outflows amounting to ₹ .5.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 2 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements in respect of One joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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 venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.
- (b) The auditors of subsidiary PELNEXT Defence Systems Private Limited have highlighted material uncertainty related to going concern related to going concern in their respective audit reports.

(c) PELNEXT Defence Systems Private Limited

One of the Subsidiary has incurred a loss before tax of ₹ .0.90 lakhs during the year ended 31st March 2023 and the company has negative other equity of ₹ .5.02 lakhs as at 31st March, 2023. Further, owing to the negative other equity as at 31st March, 2023 the Company's net worth is eroded completely and the current liabilities exceed its current assets by ₹ .4.02 lakhs as at 31st March, 2023. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion on the consolidated financial statements above 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries and joint venture referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture, none of the directors of the Group companies, joint venture company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and one of the subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- With respect to one joint venture and one subsidiary company, exemption available for reporting under section 143(3)(i) of the Act, in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint venture (Refer Note no 34 to the consolidated Financial statements).
 - 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, Group and joint venture does not have any derivative contracts.

- 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 subsidiary companies and joint venture company.
- (a) The respective Managements of the Company and its subsidiaries, Joint venture 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 and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 Company and its subsidiaries, Joint venture 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 and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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;.
- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those 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) As stated in Note no 48 to the Consolidated financial statements
- a) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
- b) The Group has not issued any interim dividend during the year.
- c) The Board of Directors of the holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, its subsidiaries incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kowshik Anna

Partner
Membership No:244172
UDIN No: 23244172BGQKYL7305

Place: Hyderabad
Date: May 16, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of PREMIER EXPLOSIVES LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, and its joint venture, 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on “the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kowshik Anna

Partner

Place: Hyderabad
Date: May 16, 2023

Membership No: 244172
UDIN No: 23244172BGQKYL7305

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(a)	18,154.96	17,202.83
(b) Capital work-in-progress	3(a)	181.50	369.82
(c) Right-of-use asset	3(b)	75.31	76.12
(d) Investment property	4	8.02	8.02
(e) Intangible assets	5	707.16	758.68
(f) Investments accounted through equity method	6	-	-
(g) Income tax asset	8	69.38	324.88
(h) Other non-current assets	9	481.81	715.53
Total Non-current assets		19,678.14	19,455.88
II Current assets			
(a) Inventories	10	7,974.01	3,769.96
(b) Financial assets			
(i) Trade receivables	11	5,366.64	7,155.10
(ii) Cash and cash equivalents	12	37.41	49.95
(iii) Bank balances other than (ii) above	13	662.65	429.87
(iv) Others	7	-	35.00
(c) Other current assets	9	1,694.93	1,086.48
(d) Current tax asset		-	9.75
Assets classified as held for sale		185.94	185.94
Total Current assets		15,921.58	12,722.05
TOTAL ASSETS		35,599.72	32,177.93
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	14	1,075.22	1,075.22
(b) Other equity		18,397.40	17,872.96
Equity attributable to equity share holders of parent		19,472.62	18,948.18
Non controlling interest		125.41	119.62
Total Equity		19,598.03	19,067.80
Liabilities			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	228.93	508.00
(ii) Other financial liabilities	16	8.65	9.15
(b) Provisions	17	701.20	532.71
(c) Deferred tax liabilities (net)	18	862.13	696.57
(d) Other non-current liabilities	19	-	-
Total Non-current liabilities		1,800.91	1,746.43
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	8,071.44	7,282.20
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note:36)		9.75	8.10
- due to others		1,570.27	2,110.21
(iii) Other financial liabilities	16	1,150.00	941.21
(b) Other current liabilities	19	3,246.14	823.12
(c) Provisions	17	134.33	180.01
(d) Current tax liabilities (net)	20	8.85	8.85
Liabilities directly associated with assets classified as held for sale		10.00	10.00
Total current liabilities		14,200.78	11,363.70
Total liabilities		16,001.69	13,110.13
TOTAL EQUITY AND LIABILITIES		35,599.72	32,177.93

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kowshik Anna

Partner

Membership number: 244172

Secunderabad

May 16, 2023

Srihari Pakalapati
Chief Financial OfficerK. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	21	20,203.01	19,912.77
II Other income	22	216.58	281.77
III Total income (I+II)		20,419.59	20,194.54
IV Expenses			
Cost of materials consumed	23	10,766.97	9,374.31
Purchases of stock in trade		697.17	165.51
Changes in inventories of finished goods, work-in-progress and scrap	24	(2,769.10)	185.26
Employee benefits expense	25	5,093.85	4,644.86
Finance costs	26	891.90	725.67
Depreciation and amortization expense	27	982.25	950.40
Research and development expenses	28	40.51	60.91
Other expenses	29	3,781.57	3,388.80
Total expenses (IV)		19,485.12	19,495.72
V Profit before tax and before share of (loss) of investments accounted through equity method and Exceptional Item (III-IV)		934.47	698.82
VI Share of (loss) from joint venture accounted through equity method		(2.00)	-
VII Profit before tax and Exceptional Item (V-VI)		932.47	698.82
VIII Exceptional Item			
Voluntary Retirement expenses		-	-
IX Profit before tax and after Exceptional Item (VII-VIII)		932.47	698.82
X Tax expense			
Current tax	30	68.46	(26.21)
Deferred tax	30	167.49	202.83
Total tax expense		235.95	176.62
XI Profit for the year (IX-X)		696.52	522.20
XII Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	25(D)	(6.94)	(83.10)
Income tax relating to above		1.93	23.12
Other comprehensive income after tax for the year (XII)		(5.01)	(59.98)
XIII Total comprehensive income for the year (XI+XII)		691.51	462.22
Earnings/(Loss) attributable to :			
(a) Owners of Premier Explosives Limited		690.73	530.01
(b) Non-controlling interest		5.79	(7.81)
		696.52	522.20
Other comprehensive income			
(a) Owners of Premier Explosives Limited		(5.01)	(59.98)
(b) Non-controlling interest		-	-
		(5.01)	(59.98)
Total comprehensive income for the year			
(a) Owners of Premier Explosives Limited		685.72	470.03
(b) Non-controlling interest		5.79	(7.81)
		691.51	462.22
Earnings/(Loss) per share (par value of ₹ 10 each)			
Basic	42	6.42	4.93
Diluted	42	6.42	4.93

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kowshik Anna

Partner

Membership number: 244172

Secunderabad

May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax	932.47	698.82
Adjustments for:		
Depreciation and amortisation expense	982.25	950.40
Unrealised foreign exchange gain(net)	(5.23)	(18.11)
Provision for Expected credit loss	64.43	-
Expected credit loss provision no longer required written back (net)	-	(20.85)
Excess liabilities written back	(92.40)	(1.18)
Bad debts written off	138.98	210.93
Interest income	(70.33)	(49.02)
Book deficit on assets discarded	0.04	105.23
Deposits recoverable written off	-	1.78
Finance costs	891.90	725.67
Deferred government grant income	-	(3.12)
Credit balances written back	(36.64)	(24.81)
(Profit)/ Loss on sale of Property, Plant and Equipment	42.79	(86.87)
Operating cash flow before working capital changes	2,848.26	2,488.87
Adjustments for		
Trade receivables, financial assets and other assets	1,128.89	(2,623.78)
Inventories	(4,204.05)	(97.89)
Trade payables, other liabilities and provisions	2,140.17	88.90
Cash generated from operating activities	1,913.27	(143.90)
Income tax (paid)/ Refund	198.76	(71.60)
Net cash generated from operating activities	2,112.03	(215.50)
B Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,430.11)	(1,443.03)
Investment in Joint Venture	(2.00)	-
Insurance claims received against property, plant and equipment	29.43	18.45
Proceeds from disposal /sale of property, plant and equipment	-	192.55
Redemption in bank deposits (having original maturity of more than three months) (Net)	(299.52)	33.39
Interest received	135.08	113.77
Net cash inflow / (outflow) from investing activities (B)	(1,567.12)	(1,084.87)
C Cash flows from financing activities		
Proceeds/(repayment) of Long term borrowing (net)	(279.07)	(514.40)
Proceeds/(repayment) of short-term borrowings (net)	782.47	2,507.78
Interest paid	(899.57)	(735.34)
Dividend	(161.28)	-
Net cash inflow / (outflow) from financing activities (C)	(557.45)	1,258.04
D Net increase (decrease) in cash and cash equivalents	(12.54)	(42.33)
Exchange difference on translation of foreign currency cash and cash equivalents*	-	-
Cash and cash equivalents at the beginning of the year	49.95	92.28
E Cash and cash equivalents at end of the year	37.41	49.95
F Reconciliation of cash and cash equivalents as per cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (Refer note: 12)	37.41	49.95
Balance as per statement of cash flows	37.41	49.95

The accompanying notes are an integral part of the financial statements

* Amount is below the rounding off norms

- The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".
- Previous year figures have been regrouped /reclassified to conform to current year classification.
- Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kowshik Anna

Partner

Membership number: 244172

Secunderabad

May 16, 2023

Srihari Pakalapati
Chief Financial OfficerK. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital								
Issued, subscribed and paid up equity shares of ₹ 10/- each	Note No.		No of Shares		Amount			
As at April 01, 2021			1,07,52,239		1,075.22			
Change during the year			-		-			
As at March 31, 2022			1,07,52,239		1,075.22			
Change during the year			-		-			
As at March 31, 2023	14		1,07,52,239		1,075.22			

B Other Equity								
	Attributable to Equity holders of Parent					Total other equity	Non-controlling interest	Total
	Reserves & surplus				Other comprehensive income			
	Capital reserve	Securities premium	General reserve	Retained earnings	Actuarial (gains) / losses			
Balance as at April 1, 2021	21.34	7,724.08	1,701.20	8,236.60	(280.29)	17,402.93	127.43	17,530.36
(Loss) for the year	-	-	-	530.01	-	530.01	(7.81)	522.20
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(59.98)	(59.98)	-	(59.98)
Total comprehensive income for the year	-	-	-	530.01	(59.98)	470.03	(7.81)	462.22
Balance as at March 31, 2022	21.34	7,724.08	1,701.20	8,766.61	(340.27)	17,872.96	119.62	17,992.58
Balance as at April 1, 2022	21.34	7,724.08	1,701.20	8,766.61	(340.27)	17,872.96	119.62	17,992.58
Profit for the year	-	-	-	690.73	-	690.73	5.79	696.52
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(5.01)	(5.01)	-	(5.01)
Total comprehensive income for the year	-	-	-	690.73	(5.01)	685.72	5.79	691.51
Transactions with owners in their capacity as owners								
Dividend	-	-	-	(161.28)	-	(161.28)	-	(161.28)
Balance as at March 31, 2023	21.34	7,724.08	1,701.20	9,296.06	(345.28)	18,397.40	125.41	18,522.81

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves**(i) Capital reserve**

Capital reserve represents share application money received from allottees and forfeiture due to non payment of remaining call money within due date as per terms of issue.

(ii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iv) Retained earnings

This reserve represents the cumulative profits of the group. It includes land revaluation amount of ₹ 5,746.53 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date**For MAJETI & CO.**

Chartered Accountants
Firm's registration number: 015975S

Kowshik Anna

Partner
Membership number: 244172
Secunderabad
May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

1. Background

- 1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.
- 1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.
- 1.3 The consolidated financial statements are approved for issue by the Company's Board of Directors on May 16, 2023.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis of accounting. The group has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) Current and non-current classification

An asset is classified as current, if

- (i) It is expected to be realized or sold or consumed in the group's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or

- (iv) It is cash or a cash equivalent unless it is 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

A liability is classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has 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.

All assets and liabilities have been classified as current or non-current as per group's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The Managing Director has been identified as being the Chief Operating Decision Maker. The group is engaged in the business of "High Energy Materials" and has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at March 31, 2022.

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Joint venture

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

The financial statements of each of the subsidiaries and joint venture are used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.4 Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments

classified as Fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.5 Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 25(a) (ii)]
- Estimation of expected credit loss on financial assets [refer note: 32(A)]
- Estimation of useful life of fixed assets [refer note: 2.7]
- Estimation of useful life of intangible asset [refer note: 2.8]
- Estimation of Variable consideration [refer note :2.6]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the group and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition

Sale of Products - Recognition & Measurement

Revenue from the sale of products is recognised at the point in time when the products are delivered to the customer (as it considered as that customer has obtained the control / legal title has been transferred) as per the terms of the contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

For revenues disaggregated by geography and timing of recognition [refer note 21]

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.

Variable consideration

- Liquidated damages and penalties are accounted as per the contract terms wherever there is a delay / default attributable to the group and when there is a reasonable certainty with which the same can be estimated.
- 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 likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

Sale of Services- Recognition & Measurement

Revenue from operations and maintenance services are recognised on output basis measured by efforts expended, number of transactions processed, etc.

Some contracts include multiple deliverables, such as the sale of products required for maintenance services. It is therefore accounted for as a separate performance obligation. The revenue from sale of products is recognised at a point in time when the product is delivered, the legal title has been passed and the customer has accepted the product.

Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.7 Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the group has elected the option of fair value as deemed cost of land as at April 01, 2016. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016

measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing ₹ 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.8 Intangible assets and amortisation

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.

(i) Computer Software

Costs associated with maintaining software are recognised as an expense as incurred. Development costs

that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured.

(ii) **Transfer of Technology**

Separately acquired transfer of technology are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) **Other Licence**

Separately acquired licence are shown at historical cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(iv) **Amortization methods and periods**

The group amortises intangible assets using the straight-line method over the following periods:

- Computer Software – 3 years based on their estimated useful lives.
- Transfer of Technology – is amortised over the license period.
- Other Licence - 5 years.

All intangible assets are tested for impairment. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

2.9 **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the amount of proceeds, net of direct costs of the capital issue.

2.10 **Financial instruments**

Classification, initial recognition and measurement

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. Financial instruments are recognized on the balance sheet when the group becomes a party to the contractual provisions of the instrument.

(i) **Financial assets**

Classification

The group classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - 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. There are three measurement categories into which the group classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investment in subsidiaries and joint ventures

Investment in subsidiaries and Joint ventures are measured at cost less impairment as per Ind AS 27.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Buyers Credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for raw materials with a maturity of up to twelve months.

Packing credit

The company enters into arrangements whereby financial institutions will provide working capital based on the export order.

Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.11 Impairment of assets

Financial assets

The group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the group uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, plant & equipment and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair

value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.13 Inventories

Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.

Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.14 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

2.15 Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of

the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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 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.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The

expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes

- (a) Defined benefit plans such as gratuity and;
- (b) Defined contribution plans such as provident fund.
- (c) State plans.
- (d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The group pays provident fund contributions to publicly administered funds as per applicable regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

(d) Voluntary retirement scheme

Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.19 Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Product development costs are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.21 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.22 Government grants

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export entitlements from government authorities are recognised in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the group, and where there is no significant uncertainty regarding the ultimate realisation of the entitlement.

2.23 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.24 Recent accounting pronouncements (Standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Consolidated Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 (a) : Property, plant and equipment

Particulars	Freehold Land	Freehold Building	Plant and Machinery	Research and development equipment	Furniture, fittings and equipment	Vehicles	Data processing Equipment	Total	Capital work-in-progress
Year ended March 31, 2022									
Gross carrying amount									
Opening Gross carrying amount	6,245.69	6,662.18	8,370.87	337.34	229.58	220.44	89.70	22,155.80	175.65
Additions	465.21	149.45	174.63	-	12.69	2.29	2.87	807.14	246.93
Disposals	-	(193.38)	(410.13)	-	(1.41)	(0.38)	(1.16)	(606.46)	(52.76)
Assets classified as held for sale	(185.94)	-	-	-	-	-	-	(185.94)	-
Closing gross carrying amount	6,524.96	6,618.25	8,135.37	337.34	240.86	222.35	91.41	22,170.54	369.82
Accumulated depreciation									
Opening accumulated depreciation	-	888.15	3,123.83	129.92	161.35	112.10	69.60	4,484.95	-
Depreciation charge during the year	-	335.86	457.84	26.97	12.73	19.97	6.57	859.94	-
Disposals	-	(83.65)	(290.71)	-	(1.26)	(0.36)	(1.20)	(377.18)	-
Closing accumulated depreciation	-	1,140.36	3,290.96	156.89	172.82	131.71	74.97	4,967.71	-
Net carrying amount as at March 31, 2022	6,524.96	5,477.89	4,844.41	180.45	68.04	90.64	16.44	17,202.83	369.82
Year ended March 31, 2023									
Gross carrying amount									
Opening Gross carrying amount	6,524.96	6,618.25	8,135.37	337.34	240.86	222.35	91.41	22,170.54	369.82
Additions	157.12	788.54	895.13	-	12.77	0.33	20.02	1,873.91	1,758.63
Disposals/discarded	-	-	(204.87)	-	(0.33)	(15.34)	-	(220.54)	(1,946.95)
Closing gross carrying amount	6,682.08	7,406.79	8,825.63	337.34	253.30	207.34	111.43	23,823.91	181.50
Accumulated depreciation									
Opening accumulated depreciation	-	1,140.36	3,290.96	156.89	172.82	131.71	74.97	4,967.71	-
Depreciation charge during the year	-	337.45	445.66	26.58	12.92	18.42	8.49	849.52	-
Disposals/discarded	-	-	(133.42)	-	(0.28)	(14.58)	-	(148.28)	-
Closing accumulated depreciation	-	1,477.81	3,603.20	183.47	185.46	135.55	83.46	5,668.95	-
Net carrying amount as at March 31, 2023	6,682.08	5,928.98	5,222.43	153.87	67.84	71.79	27.97	18,154.96	181.50

Notes to Property, plant and equipment

- Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment
- Refer note 43 for information on property, plant and equipment provided as security by the company

3) Aging of capital work-in-progress as at March 31, 2023

	Amount in capital work-in-progress for				Total
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	
(a) Projects in Progress	181.50	-	-	-	181.50
(b) Projects temporarily Suspended	-	-	-	-	-
	181.50	-	-	-	181.50

4) Aging of capital work-in-progress as at March 31, 2022

	Amount in capital work-in-progress for				Total
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	
(a) Projects in Progress	237.01	41.17	60.18	31.46	369.82
(b) Projects temporarily Suspended	-	-	-	-	-
	237.01	41.17	60.18	31.46	369.82

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 3(b): Right -of -use asset		
Land (Gross Carrying value)	80.16	80.16
Opening accumulated depreciation	(4.04)	(3.23)
Depreciations	(0.81)	(0.81)
Closing carrying value	75.31	76.12

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Note 4 :Investment property

Land	8.02	8.02
Net carrying amount	8.02	8.02

Fair value of the investment property determined by a recognised independent valuer Mr. K. Anjaneyulu, based on valuation as at April 1, 2016 is ₹ 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations.(Pricing model approach Level 3)

Note 5: Intangible assets

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount	54.99	778.60	-	833.59
Additions	-	32.77	162.18	194.95
Closing gross carrying amount	54.99	811.37	162.18	1,028.54
Accumulated amortisation				
Opening accumulated amortisation	40.27	139.94	-	180.21
Amortisation charge during the year	6.70	80.19	2.76	89.65
Closing accumulated amortisation	46.97	220.13	2.76	269.86
Net carrying amount as at March 31, 2022	8.02	591.24	159.42	758.68
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	54.99	811.37	162.18	1,028.54
Additions	0.59	79.81	-	80.40
Closing gross carrying amount	55.58	891.18	162.18	1,108.94
Accumulated amortisation				
Opening accumulated amortization	46.97	220.13	2.76	269.86
Amortisation charge during the year	2.00	97.48	32.44	131.92
Closing accumulated amortisation	48.97	317.61	35.20	401.78
Net carrying amount as at March 31, 2023	6.61	573.57	126.98	707.16

Technology transfer rights (Transfer of Technology) provided by Defence Research and Development Organisation (DRDO), High Energy Materials Research Laboratory (HEMRL), Balkan Novotek DOO, Adron R&D Company Limited and Indian Space Research Organisation (ISRO)to the Company for manufacturing of products for Indian Armed Forces which is amortised over the license period.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 6: Investments accounted through equity method		
(Un quoted, fully paid up)		
Investment in equity instruments in joint venture (carrying amount determined using the equity method of accounting)		
BF Premier Energy Systems Private Limited Nill (March 31, 2022: 1,00,000) Equity shares of ₹ 10/- each, fully paid	-	10.00
Add: Share of post acquisition loss	-	(10.00)
Total equity instruments	-	-
Total non-current investments	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-
Note 7 Other financial assets		
(i) Current		
Other Receivable	-	35.00
Total Other financial assets	-	35.00
Note 8 : Income tax assets (net)		
(i) Non current		
Advance taxes (net of provision for tax of ₹ 68.46 lakhs ; March 31, 2022 : ₹ 496 lakhs)	69.38	324.88
Total Income tax assets (net)	69.38	324.88
Note 9 : Other assets		
(i) Non-current		
Capital advances	216.39	345.16
Advances other than capital advances:		
Security deposits	215.29	235.00
Pre-paid expenses	50.13	135.37
Total other non-current assets	481.81	715.53
(ii) Current		
Balances with government authorities	560.93	201.47
Prepaid expenses	210.71	200.81
Advances to suppliers	817.12	567.52
Other receivables	106.17	116.68
Total other current assets	1694.93	1,086.48

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 10: Inventories (valued at lower of cost and net realisable value)		
Raw materials	3049.16	1480.72
Work-in-progress	3251.55	1229.2
Finished goods	1100.81	353.34
Stores and spares	570.72	704.21
Scrap (at net realisable value)	1.77	2.49
Total inventories	7974.01	3769.96
Raw materials includes stock in transit of	492.00	-

Note 10 (a): Refer note 43 for information on inventories provided as security by the parent company.

Note 10 (b): Note 10 (b): Quarterly returns or statements of current assets filed by the parent company with banks or financial institutions are in agreement with the books of accounts.

Note 11: Trade receivables

(i) Current

Trade receivables from contract with customers - Billed	5714.22	7375.22
Trade receivables from contract with customers - Unbilled	241.47	304.5
Less: Provision for expected credit loss (Refer note:32(A))	589.05	524.62
Total trade receivables	5366.64	7155.10

Note 11(a): Refer note 43 for information on trade receivables provided as security by the company.

Note 11 (b): Breakup of security details:

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,955.69	7,679.72
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	5,955.69	7,679.72
Less: Provision for expected credit loss (refer note 32(A))	589.05	524.62
Balance at the end of the year	5,366.64	7,155.10

Note 11(c): Trade Receivables ageing as at March 31, 2023

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	1564.53	2065.48	1051.63	325.75	87.99	824.58	5,919.96
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	35.73	35.73
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11(d): Trade Receivables ageing as at March 31, 2022

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	2,855.46	3,221.18	537.75	289.82	67.06	675.77	7647.04
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	32.68	32.68
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(e): Transferred Receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, parent company has transferred the relevant receivables to the Banks / Financial Institutions ("factor") in exchange for cash. However, parent company has retained trade payment and credit risk. The parent company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The parent company consider that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

	As at March 31, 2023	As at March 31, 2022
Total Transferred Receivables	-	645.11
Associated secured borrowing (Refer Note No :15(ii))	-	(336.37)

Note 12: Cash and cash equivalents

Balances with banks *		
in Current accounts	9.23	20.99
in EEFC accounts	0.1	0.66
Deposits with banks with original maturity is less than three months	25.97	24.53
Cash on hand	2.11	3.77
Total cash and cash equivalents	37.41	49.95

*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Note 13: Bank balances other than cash and cash equivalents

Earmarked balances with banks	15.96	17.95
Deposits with original maturity over 3 months but less than 12 months	72.06	66.64
Margin money deposits with banks	574.63	345.28
Total bank balances other than cash and cash equivalents	662.65	429.87

* Earmarked balances represent unpaid dividend.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
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Note 14: Equity share capital

Movement of equity share capital during the year

Authorised :

(face value of each ₹ 10/-)	Number of shares	Amount
As at April 01, 2021	15,000,000	1,500.00
Change during the year		-
As at March 31, 2022	15,000,000	1,500.00
Change during the year	-	-
As at March 31, 2023	15,000,000	1,500.00

Issued, Subscribed and paid up :

(face value of each ₹ 10/-)	Number of shares	Amount
As at April 01, 2021	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2022	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2023	10,752,239	1,075.22

Preferential Allotment :

During the Financial year 2017-18 the company has made preferential allotment of 1,15,100 equity shares of ₹ 10 each at ₹ 408 per share, including a premium of ₹ 398 per share to promoters (1,00,100 shares) and others (15,000 shares). Thus the equity share capital has increased by ₹ 11.51 lakhs and securities premium by ₹ 458.10 lakhs.

(iii) Details of shareholders holding more than 5% shares in the company

	Dr. A.N. Gupta	Dr. (Mrs.) Kailash Gupta	A. N. Gupta (HUF)	Dilip Kumar Lakhi
As at March 31, 2023				
Number of shares	2,620,183	1,167,467	656,697	707,464
% holding	24.37%	10.86%	6.11%	6.58%
As at March 31, 2022				
Number of shares	2,620,183	1,167,467	656,697	691,530
% holding	24.37%	10.86%	6.11%	6.43%

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2023		% Change during the year	As at March 31, 2022		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	2,620,183	24.37%	0.00%	2,620,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	0.00%	1,167,467	10.86%	0.00%
3) A. N. Gupta (HUF)	656,697	6.11%	0.00%	656,697	6.11%	0.00%

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ .10/- 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 except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note 15: Borrowings		
(i) Non-current		
Term Loans:		
Secured -At Amortised Cost		
From Banks	507.93	1,014.63
Less: Current maturities of long-term debt	(279.00)	(506.63)
Total non-current borrowings	228.93	508.00

Note 15 (a): Above secured term loans are secured by first charge on the Non current assets of the company and second charge on current assets of the company and personal guarantee by Chairman and Managing Director of the company.

Note 15 (b): Repayment terms: Secured term loan comprises of 24 equal monthly instalments of ₹ 14.92 lakhs each & 18 equal monthly instalments of ₹ 8.33 lakhs with an applicable interest rate lies 7.2% to 9.25% respectively as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2023	As at March 31, 2022
Payable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.30	5,918.77	4,352.85
Buyers credit from bank	3 to 6	202.55	501.99
Packing Credit	4.5 to 7	1,158.52	935.87
Factored Payable	2.85 to 3.15	-	336.37
Current maturities of long-term borrowings	7.40 to 9.25	279.00	506.63
Interest accrued but not due		6.91	7.67
Unsecured -At Amortised Cost			
Loans from related parties (Refer note :40)	7 to 9.70	505.69	640.82
Total current borrowings		8,071.44	7,282.20

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and fixed assets of the company and personal guarantee of two directors of the company.

Note 15(d): Factored Payable are secured by first charge on trade receivables subject to factoring arrangement.

Note 15 (e): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Note .16 Other financial liabilities		
i) Non-current		
Dealership deposits	2.20	2.20
Earnest money deposit	6.45	6.95
	8.65	9.15
(ii) Current		
Unclaimed dividend (Refer note : 16.1)	15.96	17.95
Capital creditors	299.99	92.88
Employee benefits payable	386.70	416.30
Creditors for expenses	447.35	414.08
Total other financial liabilities	1,150.00	941.21

Note 16.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 17: Provisions

Employee benefit obligations		
(i) non-current		
Gratuity (Refer note: 25(a))	524.21	374.13
Leave encashment	176.99	158.58
Total non-current provisions	701.20	532.71
(ii) Current		
Gratuity (Refer note: 25(a))	64.93	110.39
Leave encashment	69.40	69.62
Total current provisions	134.33	180.01

Note18: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,103.51	2,038.72
MAT credit entitlement	(83.74)	(24.27)
Expenses allowable on the basis of payment	(337.08)	(372.15)
Carry forwarded Losses	(656.69)	(799.78)
Provision for expected credit losses	(163.87)	(145.95)
Deferred tax (assets) / liabilities (net)	862.13	696.57

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Provision for expected credit losses	Expenses allowable on the basis of payment	MAT credit entitlement	Deferred tax transition cost	Carry forwarded Losses
As at April 01, 2021	1,914.96	(151.75)	(424.53)	(29.65)	0.14	(792.03)
Charged/(credited)						
- to profit or loss	123.76	28.92	52.38	5.38	(0.14)	(7.75)
- to other comprehensive income	-	(23.12)	-	-	-	-
As at March 31, 2022	2,038.72	(145.95)	(372.15)	(24.27)	-	(799.78)
Charged / (credited)						
- to profit or loss	64.79	(17.92)	37.00	(59.47)	-	143.09
- to other comprehensive income	-	-	(1.93)	-	-	-
As at March 31, 2023	2,103.51	(163.87)	(337.08)	(83.74)	-	(656.69)

Note 19: Other Liabilities

ii) Current

	As at March 31, 2023	As at March 31, 2022
Statutory taxes payable	59.84	68.35
Advance from customers	3,186.30	754.77
Total other current liabilities	3,246.14	823.12

Note 20: Current tax liabilities (net)

Provision for interest on income tax	8.85	8.85
Total current tax liabilities (net)	8.85	8.85

	For the year ended March 31, 2023	For the year ended March 31, 2022
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Note 21: Revenue from operations

Revenue from contracts with customers		
- Sale of products	16022.71	17,468.91
- Sale of traded goods	723.30	166.09
- Sale of services	3407.54	2,226.35
	20153.55	19,861.35
Other operating revenue	49.46	51.42
Total revenue from operations	20203.01	19,912.77

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
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Disaggregation of revenue from contracts with customers

The company derives revenue from transfer of goods and services from the following geographical locations.

Geographical location		
- India	16,858.43	17,192.63
- Other countries	3,344.58	2,720.14
Total	20,203.01	19,912.77

Information about major customers:

Two customers represents 10% or more of the Group's total revenue during the year ended March 31, 2023 and One customer represents 10% or more of the Groups' total revenue during the year ended March 31, 2022.

Contract Price Reconciliation

Contract Price	20,457.62	20,148.91
Less: Variable consideration	254.61	236.14
	20,203.01	19,912.77

Note 22: Other income

Interest income from financial assets at amortised cost	70.33	49.02
Profit on disposal of Property, Plant & Equipment	-	86.87
Net gain on foreign currency transactions and translations	-	73.56
Deferred government grant income	-	3.12
Excess liabilities written back	92.40	1.18
Expected credit loss provision no longer required written back (net)	-	20.85
Credit balances written back	36.64	24.81
Other non-operating income	17.21	22.36
Total other income	216.58	281.77

Note 23: Cost of raw materials consumed

Raw materials at the beginning of the year	1480.72	1,313.64
Add: Purchases	12335.41	9,541.39
Less: Raw materials at the end of the year	3049.16	1,480.72
Total cost of raw materials consumed	10766.97	9,374.31

Note 24: Changes in inventories of finished goods, work-in-progress and scrap

Opening Balance:		
Finished goods	353.34	1,154.01
Work-in-progress	1229.20	611.72
Scrap	2.49	4.56
	1585.03	1,770.29
Closing Balance:		
Finished goods	1100.81	353.34
Work-in-progress	3251.55	1,229.20
Scrap	1.77	2.49
	4354.13	1,585.03
Total changes in inventories of finished goods, work-in-progress and scrap	(2,769.10)	185.26

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 25: Employee benefits expense		
Salaries, wages, bonus and other allowances	4564.82	4,204.83
Contribution to provident fund and other funds	297.07	218.74
Contribution to ESI	14.72	12.94
Staff welfare expenses	217.24	208.35
Total employee benefits expense	5093.85	4,644.86

Note 25(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to Provident Fund	194.34	190.03
Employer's contribution to ESI	14.72	12.94

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity (Funded)

A) Reconciliation of opening and closing balances of defined benefit obligation

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at beginning of the year	1,110.50	1,097.53
Current service cost	67.52	16.40
Interest cost	78.09	17.06
Actuarial (gain) / loss	7.61	119.70
Benefits paid	(78.63)	(140.19)
Defined benefit obligation at year end	1,185.09	1,110.50

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
B) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of year	625.98	718.79
Expected return on plan assets	42.95	10.77
Actuarial (gain) / loss	0.65	36.60
Employer's contribution	5.00	-
Benefits paid	(78.63)	(140.18)
Fair value of plan assets at year end	595.95	625.98
C) Reconciliation of fair value of assets and obligations		
Fair value of plan assets	595.95	625.98
Present value of obligation	1,185.09	1,110.50
Amount recognised in balance sheet, surplus/(deficit)	(589.14)	(484.52)
D) Expenses recognised during the year		
	For the year ended March 31, 2023	For the year ended March 31, 2022
In income statement		
Current service cost	67.52	16.40
Interest cost	78.09	17.06
Return on plan assets	(42.95)	(10.77)
Net cost	102.66	22.69
In other comprehensive income		
Actuarial (gain) / loss	(6.96)	(83.10)
Net (income) / expense for the year recognised in OCI	109.62	105.79

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.48%	7.29%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	55/58- Years	55/58- Years
Average balance future services	14.87	14.87
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	1,185.09	1,110.50
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	1,110.10	1,041.37
Decrease: -1%	1,268.78	1,187.79
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,277.58	1,195.95
Decrease: -1%	1,101.00	1,032.98
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,201.10	1,128.48
Decrease: -1%	1,167.47	1,095.11

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 7.73 years (March 31, 2022:7.62 years). The expected cash flows over the years is as follows:

	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation - gratuity		
Less than a year	65.99	110.39
Between 2-5 years	460.46	379.06
Over 6 years	1,429.80	760.89

Risk management

Defined benefit plans are prone to a number of risks, the most significant of which are detailed below:

Interest rate risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements

Salary cost inflation risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities carried at amortised cost	621.24	559.51
Other borrowing costs	270.66	166.16
Total Finance costs	891.90	725.67

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	849.52	859.94
Depreciation of right-of-use assets	0.81	0.81
Amortisation of intangible assets	131.92	89.65
Total depreciation and amortisation expense	982.25	950.40

Note 28: Research and development expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials consumed	11.94	8.16
Salaries, wages, bonus and other allowances	27.71	51.22
Contribution to provident and other funds	0.86	1.53
Total Research and development expenses	40.51	60.91

Note 29: Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	147.48	40.73
Consumption of packing materials	245.80	352.52
Power and fuel	366.89	260.70
Repairs and maintenance		
- Plant and machinery	556.28	434.73
- Buildings	32.25	9.12
- Others	159.75	139.59
Insurance	84.43	155.56
Rent	55.99	15.83
Rates and taxes, excluding taxes on income	66.32	87.84
Legal and professional charges	106.45	89.21
Directors sitting fees	10.80	12.80
Travelling and conveyance	261.41	206.62
Sales commission	240.23	97.97
Carriage outward	564.76	561.06
Other selling expenses	110.86	200.47
Payments to auditors (refer note 29 (a) below)	24.72	26.02
Book deficit on assets discarded	0.04	105.23
Deposits recoverable written off	-	1.78

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Bad debts written off*	138.98	210.93
Provision for Expected credit loss	64.43	-
Donations	6.59	13.90
Corporate social responsibility expenditure (refer note 29 (b) below)	8.87	11.86
Security charges	141.39	117.15
Testing fees	32.25	38.47
Loss on disposal of Property, Plant & Equipment	42.79	-
Net loss on foreign currency transactions and translations	110.13	-
General expenses	201.68	198.79
Total other expenses	3781.57	3388.80

* Mainly on account of Late delivery charges of ₹ 51.20 Lakhs (2021-22 ₹ 62.32 Lakhs), Powder Factor deduction of ₹ 33.32 Lakhs (2021-22 : 29.90 lakhs /-) and other deductions of ₹ 54.46 Lakhs (2021-22 : ₹ 118.71 Lakhs)

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment to auditors		
As auditors		
As statutory auditor	8.50	7.50
For quarterly reviews	7.50	6.75
In other capacities		
For GST Audit	-	3.00
For Review and certifications	5.30	5.70
Re-imbursement of expenses	1.48	1.20
Subsidiary Auditors		
As statutory auditor	1.94	1.87
Total payments to auditors	24.72	26.02

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent as per section 135 of the Act	-	-
Amount of expenditure incurred during the year on		
(i) Promoting education	1.97	0.60
(ii) Promoting healthcare	6.90	11.26
Total Amount spent during the year	8.87	11.86
Shortfall at the end of previous year	-	-
Total of Previous years short fall	-	-
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Income tax expense

This note provides an analysis of the company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	68.46	-
Adjustments for current tax of prior periods	-	(26.21)
Total current tax expense	68.46	(26.21)
Deferred tax		
Decrease/ (increase) in deferred tax assets	162.17	73.69
(Decrease)/ increase in deferred tax liabilities	5.32	129.14
Total deferred tax expense/(benefit)	167.49	202.83
Income tax expense	235.95	176.62
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit from operations before income tax expenses	932.47	698.82
Income tax expense		
Tax at the rate of 26% (2020-21: 26%)	242.44	181.69
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	9.53	20.40
Weighted deduction on research and development	-	(6.58)
Tax effect of expenses not allowed for tax purpose	16.55	-
Tax effect of expenses relating to voluntary retirement scheme	(45.71)	(45.71)
Tax credit on loss not considered	(7.43)	7.62
Tax effect of items in other comprehensive income considered for income tax	1.93	23.12
Adjustments for current tax of prior periods	1.46	(26.21)
Tax effect on others	17.18	22.28
Income tax expense	235.95	176.62

Note 31: Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). 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 entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

The following table represents the fair value hierarchy of assets and liabilities

	Fair value hierarchy	Notes	As at March 31, 2023		As at March 31, 2022	
			Carrying Value	*Fair Value	Carrying Value	*Fair Value
A. Financial assets						
a) Measured at amortised cost						
Cash and cash equivalents	Level -3	12	37.41	37.41	49.95	49.95
Other bank balances	Level -3	13	662.65	662.65	429.87	429.87
Others	Level -3	7	-	-	35.00	35.00
Trade receivables	Level -3	11	5,366.64	5,366.64	7,155.10	7,155.10
Total financial assets			6,066.70	6,066.70	7,669.92	7,669.92
B. Financial liabilities						
a) Measured at amortised cost						
Trade payables	Level -3		1,580.02	1,580.02	2,118.31	2,118.31
Borrowings	Level -3	15	8,300.37	8,300.37	7,790.20	7,790.20
Other financial liabilities	Level -3	16	1,158.65	1,158.65	950.36	950.36
Total financial liabilities			11,039.04	11,039.04	10,858.87	10,858.87

Note:

*The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances and trade receivables are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Note 32: Financial instruments and risk management - Financial risk management

The Company's activities expose it to Credit risk, Market risk and Liquidity risk. The Company emphasis on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the Company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Particulars	As at March 31, 2023	As at March 31, 2022
Expected credit losses (ECL)		
Opening balance	524.62	545.47
Less: No longer required written back	-	(20.85)
Add: ECL Movement during the year	64.43	-
Closing balance	589.05	524.62

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk:

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

i) **Foreign currency risk - sensitivity**

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date:

	As at March 31, 2023			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	1,361,206	-	1,119.14
Balance with banks	-	123	-	0.10
Deposits recoverable	-	1,325	-	0.89
Total	-	1,362,654	-	1,120.13
Foreign currency liabilities				
Payables for supplies and services		82,577		67.89
Current borrowings		610,000	226,038	704.07
Capital creditors	2,032			1.94
Total	2,032	692,577	226,038	773.90
Net foreign currency assets / (liabilities)	(2,032)	670,077	(226,038)	346.23
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers		150,173		123.75
Advance for capital items		14,300		11.85
Advance from customers		2,891,649		2,369.38

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	363,585	175,432	423.38
Balance with banks	-	-	-	-
Deposits Recoverable	-	1,325	-	0.89
Total	-	364,910	175,432	424.27
Foreign currency liabilities				
Payables for supplies and services	-	72,981	435,491	422.18
Buyers Credit		1,144,220	1,032,702	1,737.27
Capital Creditors	2,032	-	-	1.94
Total	2,032	1,217,201	1,468,193	2,159.44
Net foreign currency assets / (liabilities)	(2,032)	(852,291)	(1,292,761)	(1,735.17)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance for supplies	149,252	24,142	-	144.84
Advance from customers	-	649,851	-	487.63
2.5% increase or decrease in foreign exchange rates will have the following impact on profit/(loss) before tax				
Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
GBP	-		0.05	
USD	12.73		4.81	
EURO	(4.77)		(8.84)	

(C) Liquidity risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The company invests its surplus funds in deposits with maturity of 3 months, which carry no/low mark to market risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	< 1 Year	1-3 Years	> 3 Years	Total
As at March 31, 2023				
non-current borrowings		228.93	-	228.93
Current borrowings	8071.44	-	-	8,071.44
Trade and other payable	1580.02	-	-	1,580.02
Other financial liabilities	1150.00	8.65	-	1,158.65
Total financial liabilities	10801.46	237.58	-	11,039.04
As at March 31, 2022				
non-current borrowings		508.00	-	508.00
Current borrowings	7,282.20	-	-	7,282.20
Trade and other payable	2,118.31	-	-	2,118.31
Other financial liabilities	941.21	9.15	-	950.36
Total financial liabilities	10,341.72	517.15	-	10,858.87

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Capital management

- (a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2023	As at March 31, 2022
Net debt	7,616.27	7,328.33
Equity	19,598.03	19,067.80
Total capital (net debt + equity)	27,214.30	26,396.13
Gearing ratio (Net debt / Total capital)	27.99%	27.76%

***Net debt is as follows**

	As at March 31, 2023	As at March 31, 2022
A) Borrowings		
Non-current borrowings	228.93	508.00
Current borrowings	8,071.44	7,282.20
Total (A)	8,300.37	7,790.20
B) Cash and cash equivalents	37.41	49.95
Bank balances other than cash and cash equivalents	646.69	411.92
Total (B)	684.10	461.87
C) Net debt (A-B)	7,616.27	7,328.33

(b) Loan covenants

Under the terms of major borrowing facilities, the Parent company is required to comply with the following financial covenants:

- * Total net worth should be greater than ₹ 60 crores including deferred tax liabilities.
- * Total outside liabilities should be less than 1.25 times of the total net worth of the company
- * Debt service coverage ratio should be greater than 1.50 throughout the tenor of the loan

The company has complied with these covenants throughout the reporting period.

Note 34: Contingent Liabilities

	As at March 31, 2023	As at March 31, 2022
On account of Letters of credit and Guarantees issued by the bankers.	9,402.86	4,282.21
Claims against the company not acknowledged as debts in respect of		
- Sales tax	573.83	575.83
- Income tax	61.84	61.84

It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Note 35: Commitments

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,304.91	621.48

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 36: Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the group:

	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid as at year-end	9.75	1.70
Interest due thereon as at year-end	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
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 Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
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 Act	-	-

Note: The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the group and has been relied upon by the auditors.

Note 36(b): Ageing of Trade Payables as at March 31, 2023

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	9.75	-	-	-	-	9.75
Others	202.03	1,282.88	41.46	43.85	0.05	1,570.27
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	211.78	1,282.88	41.46	43.85	0.05	1,580.02

Note 36(c): Ageing of Trade Payables as at March 31, 2022

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	8.10	-	-	-	-	8.10
Others	1,231.09	718.20	160.92	-	-	2,110.21
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,239.19	718.20	160.92	-	-	2,118.31

Note 37 : Segment information

(a) Description of segments and principal activities

The Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the business of "High Energy Materials" and operates in a single operating segment.

Two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2023 and two customer represents 10% or more of the Company's total revenue during the year ended March 31, 2022.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Geographical Information

The Group mainly domiciled its activities in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	As at March 31, 2023	As at March 31, 2022
India	16,858.43	17,192.63
Rest of the world	3,344.58	2,720.14
Non-current assets		
India	19,678.14	19,455.88
Rest of the world	-	-

Note 38: Interest in Joint Venture

BF Premier Energy Systems Private Limited :

The company has 50% interest in BF Premier Energy Systems Private Limited, a joint venture incorporated in India and involved in manufacturing defence products such as Bi-modular cartridges systems, ammunition of selected types, ready to use defence products such as rockets, missiles, mines, bombs, torpedoes and ammunition, etc.

a) Summarised balance sheet

	As at March 31, 2023	As at March 31, 2022
Interest in assets, liabilities with respect to jointly controlled entities are as follows:		
Current assets	-	1.02
Non-current assets	-	-
Current liabilities	-	(2.73)
Non-current liabilities	-	-
Equity	-	(1.71)
Proportion of the Group's ownership	0%	50%
Carrying amount of the investment*	-	-

b) Summarised statement of profit and loss

	As at March 31, 2023	As at March 31, 2022
Income		
Other income	-	-
Expenses		
Employee benefit expenses	-	-
Depreciation	-	-
Other expenses	4.00	1.11
Total expenses	4.00	1.11
Loss before tax	(4.00)	1.11
Tax expenses	-	-
Loss for the year	-	1.11
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(4.00)	1.11
Group's share of loss for the year*	(2.00)	-

The Group had no contingent liabilities or capital commitments relating to its interest in BF Premier Energy Systems Ltd. as at March 31, 2023 and March 31, 2022

During the year the company has stuck the investment made.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 39: The subsidiaries (which along with PEL, the parent, constitute the Group) considered in preparation of these Consolidated Financial Statements are

	Relationship	Principal activity	Ownership
Indian entities			
March 31, 2023			
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised iron wire	80%
PELNEXT Defense Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%
BF Premier Energy Systems Private Limited	Joint venture (up to March 02, 2023)	Manufacture of defence products	0%

Note 40: Related Party Transactions

(a) Enterprises where control exists	
Wholly owned Subsidiary Companies	PELNEXT Defense Systems Private Limited
Subsidiaries	Premier Wire Products Limited
Joint Venture	BF Premier Energy Systems Private Limited
(b) Key Management Personnel (KMP)	
	Dr. A.N.Gupta Chairman
	Mr. T.V.Chowdary Managing Director
	Mr. Y. Durga Prasad Rao, Director-Operations
	Dr. (Mrs.) Kailash Gupta, Non Executive Director
	Mr.Anil Kumar Mehta, Independent Director
	Mr.P.R. Tripathi, Independent Director
	Mr.K.Rama Rao, Independent Director
	Dr. A. Venkat Raman, Independent Director
	Mrs. Shonika Prasad, Director Non-executive
	Gen P.R. Kumar, Independent Director
(c) Relatives of key management personnel	
	Dr.(Mrs.) Kailash Gupta
	Mrs. T.Malati
(d) Concerns in which key management personnel have substantial interest (significant interest entities):	
	A.N.Gupta(HUF) Vedik Divya Jyothi Gurukul Trust

(e) Transactions with related parties

	Amount of transaction For the year ended March 31, 2023	Amount Receivable/ (Payable) As at March 31, 2023	Amount of transaction For the year ended March 31, 2022	Amount Receivable/ (Payable) As at March 31, 2022
Key Management Personnel				
Short term employee benefits				
Managerial remuneration	224.12	(24.37)	400.20	(28.46)
Others				
Acceptance of unsecured loan		(505.69)	-	(640.82)
Repayment of unsecured loan	140.05		22.00	
Interest paid	47.80		69.52	
Dividend paid	57.22	-	-	
Sitting fees	10.80	-	12.80	
Professional Charges	-	-	3.10	
Capital advances given	50.00	50.00	-	

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	Amount of transaction	Amount Receivable/ (Payable)	Amount of transaction	Amount Receivable/ (Payable)
	For the year ended March 31, 2023	As at March 31, 2023	For the year ended March 31, 2022	As at March 31, 2022
Relatives of Key Management Personnel				
Dividend paid	0.31	-	-	-
Concerns in which key management personnel have substantial interest (significant interest entities)				
Dividend paid	9.85	-	-	-
Joint venture (jointly controlled entity)				
Investment made	2.00	-	-	-
Investment written off	12.00	-	-	-

Information regarding significant transactions

Nature of transaction / related party	As at March 31, 2023	As at March 31, 2022
Interest paid		
Dr. A.N. Gupta	37.93	56.42
Dr. Kailash Gupta	9.87	13.10
Managerial remuneration paid*		
Dr. A.N. Gupta	46.06	271.91
Mr. T.V. Chowdary	123.78	85.16
Mr. Y. Durga Prasad Rao	54.28	43.13
Repayment of unsecured loans		
Dr. A.N. Gupta	139.70	8.00
Dr. Kailash Gupta	0.35	14.00
Professional Fess	-	
Dr. A.N.Gupta		3.00
Sitting fees		
Dr. A.N. Gupta	1.70	0.20
Dr. Kailash Gupta	1.90	1.80
Mr. Anil Kumar Mehta	2.10	2.90
Mr. P.R. Tripathi	1.80	2.30
Mr. K. Rama Rao	1.30	2.60
Dr.A. Venkataraman	1.00	1.40
Mr. P.R. Kumar	0.80	1.40
Mrs. Shonika Prasad	0.20	0.20
Purchase of Property, plant and equipment		
BF Premier Energy Systems Pvt Ltd	0.05	-
Vedik Divya Jyothi Gurukul Trust	-	345.00
Capital Advance		
Dr. A.N. Gupta	50.00	-
Reimbursement of expenses		
BF Premier Energy Systems Pvt Ltd	0.73	-

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Nature of transaction / related party	As at March 31, 2023	As at March 31, 2022
Dividend paid		
Dr. A.N.Gupta	39.30	-
Dr. Kailash Gupta	17.51	-
A.N Gupta (HUF)	9.85	-
Investments made		
BF Premier Energy Systems Pvt Ltd	2.00	-
Investments Written off		
BF Premier Energy Systems Pvt Ltd	12.00	-

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.
- (ii) The loans accepted from key managerial personnel carries interest rate at 10% per annum.
- (iii) All outstanding balances are unsecured and repayable in cash.

Note No 41: Donation to political parties

	For the year ended March 31, 2023	For the year ended March 31, 2022
Communist party of India	1.50	1.80
	1.50	1.80

Note 42: Earnings per share (EPS)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Basic and Diluted EPS		
Earnings per share attributable to the equity holders of the company	6.42	4.93
(b) Reconciliation of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating earnings per share	690.73	530.01
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,752,239	10,752,239
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	10,752,239	10,752,239

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 43 : Assets pledged as security

The carrying amounts of Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	6,068.98	7,524.03
Non financial assets	9,664.70	4,850.02
Collateral security		
non-current assets		
Non financial assets	18,344.48	17,580.67
Towards current borrowings	34,078.16	29,954.72
non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	18,344.48	17,580.67
Financial assets		
Current assets		
Financial assets	6,065.11	7,520.40
Non financial assets	9,664.70	4,850.02
Towards non-current borrowings	34,074.29	29,951.09

Note 44: Additional information required by Schedule III

	Premier Explosive limited	Premier Wire Products Private Limited	PELNEXT Defense Systems Private Limited	BF Premier Energy Systems Private Limited	Non controlling interest	Inter- company transactions/ balances
Net assets (total assets minus total liabilities)						
Amount	19505.13	492.51	(4.02)	-	125.41	(521.00)
As % of consolidated net assets	100%	3%	0%	0%	1%	-3%
Share in profit or (loss)						
Amount	668.49	15.14	(0.90)	(2.00)	3.79	12.00
As % of consolidated net assets	96%	2%	0%	0%	1%	2%
Share in other comprehensive income						
Amount	(5.01)	0.00	0.00	-	-	-
As % of consolidated net assets	100%	0%	0%	0%	0%	0%
Share in total comprehensive income						
Amount	663.48	15.14	(0.90)	(2.00)	3.79	12.00
As % of consolidated net assets	97%	2%	0%	0%	1%	2%

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 45: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.12	1.12	0%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.42	0.41	4%
c) Debt service coverage ratio (in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	1.89	2.30	-18%
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	4%	3%	1%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	2.73	4.69	-42%
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	3.23	3.39	-5%
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	6.67	5.01	33%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	11.74	14.66	-20%
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	3.45%	2.62%	0.83%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	5.59%	4.15%	1.44%

Reasons for Variance:

Inventory Turnover Ratio: Change is on account of increase in inventory during the year.

Trade Payables Turnover Ratio: Change is on account of increase in Raw Material purchases during the year.

Note 46: Disclosure for struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as 31.03.2023	Relationship with the Struck off company
BF Premier Energy Systems Pvt Ltd	Investment	-	Joint Venture

Note 47 :Material Uncertainty related to Going Concern (Pelnext Defence Systems Private Limited)

During the year the company incurred loss before tax of ₹ 0.90 lakhs and the company had negative other equity of ₹ 5.02 lakhs as at 31st March, 2023. Further, owing to negative other equity as at 31st March, 2023 the Company's networth is errored completely and the current liabilities exceeded its current assets by ₹ 4.02 lakhs as at 31st March, 2023. However, the accounts of the company for the year ended 31st March, 2023 have been prepared on the Going Concern basis.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 48: Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting:

Utilisation of funds	As at March 31, 2023	As at March 31, 2022
On Equity Shares of ₹ 10/- each		
Proposed dividend*	182.79	161.28
Proposed dividend per equity share in Rupees	1.70	1.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

Note 49: 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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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)
- (v) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (vi) The Group has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.
- (vii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Group has not advanced or loaned 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

Note 50: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kowshik Anna

Partner
Membership number: 244172
Secunderabad
May 16, 2023

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Notice of the 43rd Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of the Members of Premier Explosives Limited (the Company) will be held on Friday, the 29th day of September, 2023 at 11.30 a.m. through Video Conferencing facility (VC) / other Audio Visual Means (OAVM), to transact the following business:

The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

Ordinary business

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of Auditors thereon.
2. To declare a final dividend for the financial year 2022-23.
3. To appoint a director in place of Mr. Y. Durga Prasad Rao (DIN: 08072805), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. **Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director:**

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration and benefits payable to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director of the Company, for the period from 1st April, 2024 to 31st March, 2025, as set out in the Explanatory Statement annexed to the Notice, be and is hereby approved.

FURTHER RESOLVED THAT the Board of Directors of the Company (including its Committee thereof) and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

5. **Ratification of remuneration payable to the Cost Auditors**

To consider and if thought fit, to pass, 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 thereof, for the time being in force), the remuneration payable to M/s. S.S. Zanwar & Associates, Cost Accountants (Firm Registration No. 100283), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the cost records for the financial year 2023-24, amounting to ₹ 1,50,000/- per annum (Rupees one lakh fifty thousand only) excluding applicable taxes and out-of-pocket expenses, if any, incurred in connection with the cost audit, be and is hereby ratified.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: September 01, 2023

K. Jhansi Laxmi
Company Secretary
MNo: A16577

Registered Office:
‘PREMIER HOUSE’, # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana- 500015.
Ph: 040-6614 6801 to 05, Fax:040-661406839
CIN:L24110TG1980PLC002633
Email: investors@pelgel.com
Website:www.pelgel.com

NOTES:

1. Additional information pursuant to the Secretarial Standards – 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Special Business to be transacted at this AGM are mentioned in this Notice. In respect of Special Business, the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) is annexed with this Notice.
2. Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 and subsequent Circulars issued from time to time and General Circular No. 10/2022 dated December 28, 2022 read with relevant circulars issued by the Securities and Exchange Board of India (SEBI), from time to time (hereinafter collectively referred to as “Circulars”), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till September 30, 2023. In Compliance with the provisions of the Companies Act, 2013 (‘Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), and MCA Circulars, the 43rd AGM of the members of the Company is being held through VC/OAVM. without the

Notice of the 43rd Annual General Meeting

physical presence of the Members at a common venue. The Registered Office of the Company shall be deemed to be the venue for the AGM

3. The Company has enabled the Members to participate at the 43rd AGM of the Company through VC/OAVM facility provided by KFin Technologies Limited ('KFinTech'), who will be providing the facility for voting through remote e-voting, for participation in the 43rd AGM through the VC/OAVM and e-voting during the AGM ("Insta Poll"). The participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis.
4. **Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held pursuant to the MCA Circular through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip including route map are not annexed to this Notice.**
5. Institutional / Corporate Members (i.e., other than individuals/HUF, NRI etc) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, are required to send a scanned copy (PDF/JPEG format) of its Board or governing body Resolution/ Authorization etc, authorising its representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or e-voting at the AGM. The said Resolution/ Authorisation shall be sent to the Scrutinizer by email through its registered e-mail address to kvcr133@ gmail.com with a copy marked to evoting@kfinotech.com and to the company at investors@pelgel.com.
6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 43rd AGM along with the Annual Report for the financial year 2022-23 (Annual Report) is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members who requires physical copy of the Annual Report, may request for the same. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website at www.pelgel.com, websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of Company's Registrar and Transfer Agent, KFinTech at <https://evoting.kfinotech.com>. For any communication, the members may also send a request to the Company's investor email ID: investors@pelgel.com. The company will not be despatching physical copies of the Annual Report 2022-23 and the notice of the AGM to any member.
7. Members shall have the option to vote electronically (e-voting) either before the AGM (remote e-voting) or during the AGM. In compliance with the provisions of Section 108 of the Act and the Rules made thereunder and Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the Company has provided the facility to its Members to cast their votes electronically, through e-voting services provided by KFin Technologies Limited, on all resolutions set forth in this Notice. Members attending the AGM through VC/OAVM, who have not cast their votes by remote e-voting shall be able to exercise their vote through e-voting during the AGM. Members, who have cast their vote by remote e-voting prior to the AGM, may attend the AGM through VC/OAVM but shall not be entitled to cast their vote again. **The Procedure / instructions for e-voting and joining AGM are provided in this Notice.**
8. The remote e-voting period commences on Monday, September 25, 2023 (9:00 A.M.IST) and ends on Thursday, September 28, 2023 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 22, 2023, may cast their votes electronically. The remote e-voting module shall be disabled by KFin Technologies Limited for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
9. The attendance of the Members joining the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. The Board of Directors of the Company at their meeting held on May 16, 2023 has recommended a final dividend of Rs. 1.70/- per equity share of Rs. 10/- each for the financial year 2022-23, subject to approval of shareholders at its 43rd AGM.
12. The Company has fixed Friday, September 22, 2023 as the "Cut-off Date" for determining entitlement of members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
13. Book Closure and Dividend
 - i. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of the AGM and for determining the entitlement of members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
 - ii. The dividend of Rs. 1.70/- per equity share of Rs. 10/- each (17%), as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of tax at source (TDS), as applicable, within 30 days from the date of declaration as under:
 - (a) To all the Beneficial Owners as at the end of the day on Friday, September 22, 2023 (Cut-off Date), as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in

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respect of the shares held in electronic form; and

- (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Friday, September 22, 2023 (Cut-off Date).

Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means due to non-registration of the Electronic Bank Mandate, the Company will dispatch the dividend warrant / bankers' cheque / demand draft to such Members, subject to availability of postal services and/or courier services.

- iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update/register their PAN with the Depositories (if shares are held in demat mode) and the Company / RTA (if shares held in physical form).
 - iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://ris.kfintech.com/form15/>. Shareholders are requested to note that in case their PAN is not updated/registered, the tax will be deducted at a higher rate of 20%.
 - v. 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, and any other document which may be required to avail the tax treaty benefits by uploading the documents on the link <https://ris.kfintech.com/form15/>. No communication would be accepted from Members after September 22, 2023 regarding the tax withholding matters.
 - vi. TDS will be deducted at prescribed higher rates for specified persons, as per the provisions of Section 206AB of the Income Tax Act, 1961.
14. Members are requested to address all correspondence including dividend related matters to the Registrar & Share Transfer Agent (RTA) of the Company i.e. KFin Technologies Limited, Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana, Toll free Number 1800 309 4001 e-mail Id: einward.ris@kfintech.com.
 15. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA mentioned above or the Company Secretary of the Company or at investors@pelgel.com.
 16. The Board of Directors have appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (Membership No.: F9268), as the Scrutinizer, to scrutinize the e-voting process i.e., remote e-voting and Insta Poll, in a fair and transparent manner.
 17. The Scrutinizer shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairman of the Company or any person authorized in that respect. The results of voting shall be declared within two working days from the conclusion of the AGM of the company and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.
 18. The results of the voting declared along with the Scrutinizer's report shall be placed on the Company's website at www.pelgel.com and on the website of KFinTech at <https://evoting.kfintech.com>. The Company shall simultaneously communicate the voting results to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.
 19. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at Investors@pelgel.com or to KFinTech.at.einward.ris@kfintech.com
 - b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.
 20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all the documents referred to in the Notice will be available electronically for inspection by the Members during the 43rd AGM. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at investors@pelgel.com before 5.00 pm. On September 25, 2023.
 21. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialize their shares held by them in physical form. The ISIN in respect of the equity shares is INE863B01011.

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22. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the company/registrar and transfer agents to record additional details of Members, including their PAN details, e-mail address etc. A "form" for compiling additional details is available on the Kfintech's Website at the web-link: https://ris.kfintech.com/email_registration/. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants only and not to the Company or RTA..

Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email IDs, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank mandate details (name of the Bank and branch details, account number, 9 digit MICR and 11 digit IFSC) etc to their respective Depository Participants (DPs) in case the shares are held by them in electronic form and to Company's Registrar and transfer Agents, Kfintech, in case the shares are held by them in physical form, in prescribed Form No. ISR-1, by quoting their folio numbers and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self- attested scanned copy of the PAN Card. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

23. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013.
24. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members are requested to submit the aforesaid information to their respective Depository Participant(s).
25. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Friday, September 29, 2023. Members seeking to inspect such documents are requested to write to the Company at investors@pelgel.com.
26. Investor Grievance Redressal: The Company has designated an e-mail ID i.e. investors@pelgel.com to enable the investors to register their complaints/send correspondence, if any.
27. Unclaimed Dividend: Members who wish to claim the unclaimed dividends of the past years, are requested to correspond with M/s. Kfin Technologies Limited, RTA, for encashing the unclaimed dividends standing to the credit of their account. Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, all unclaimed / unpaid dividends for a period of seven consecutive years from the date they become due for payment are required to be transferred to the Investor Education and Protection Fund ('IEPF'). The Shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the unclaimed dividends within the stipulated timeline.

28. 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 a long time Periodic statement of holdings should be obtained from the concerned DPs and holding should be verified from time to time.
29. Members are requested to support the 'Green Initiative', by registering / updating their e-mail addresses and mobile numbers, with the Depository Participant in case the shares are held in electronic form and with Company's Registrars and Transfer Agents, Kfintech, in case the shares are held in physical form for receiving all communication including Annual Report and other Notices from the Company electronically. In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll free number 18020 309 4001.

30. PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

PROCEDURE FOR REMOTE E-VOTING

- In compliance with the provisions of Section 108 and 109 of the Act, read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, in relation to the E-voting facility provided by the listed entities, the members are provided with the facility to cast their votes electronically, through the e-Voting services provided by M/s. KFin Technologies Limited (Kfintech), on all the resolutions set forth in the Notice, to those members holding shares as on September 22, 2023 (end of the day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.
- In terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", E-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs in order increase the efficiency of the voting process.
- Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.
- The remote e-Voting period commences on Monday, September 25, 2023 (9.00 A.M. IST) and ends on Thursday, September 28, 2023 (5.00 P.M. IST).
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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- vi. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, September 22, 2023, may cast their vote electronically. The remote e-voting module shall be disabled/blocked by KFinTech for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 - vii. Any person holding shares in physical form and non-individual shareholders, 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, may obtain the login ID and password by sending a request at einward.ris@kfintech.com or evoting@Kfintech.com. However, if he/she is already registered with KFinTech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.
 - viii. In case of Individual Shareholders holding securities in demat mode and 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 may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
 - ix. A person who is not a Members as on the cut-off date should treat this Notice for information purposes only.
- The details of the process and manner for remote e-Voting and e-AGM are explained herein below:**
- Step 1 :** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non- individual shareholders in demat mode.
- Step 3 :** Access to join virtual meetings (AGM) of the Company on KFinTech system to participate in AGM and vote at the AGM

DETAILS ON STEP 1 ARE MENTIONED BELOW:

I) Login method for remote e-Voting for Individual shareholders holding securities in dematerialized form.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility:
	I. Visit URL: https://eservices.nsdl.com
	II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.
	III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"
	IV. Click on company name or e-Voting service provider and you will be re- directed to e-Voting service provider website for casting the vote during the remote e-Voting period.
	2. User not registered for IDeAS e-Services
	I. To register click on link : https:// eservices.nsdl.com
	II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	III. Proceed with completing the required fields.
	IV. Follow steps given in points 1.
	3. Alternatively by directly accessing the e-Voting website of NSDL
	I. Open URL : https:// www.evoting.nsdl.com/
	II. Click on the icon "Login" which is available under 'Shareholder/Member' section.
	III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
	IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech.
	V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.

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Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi/Easiest
	I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote.
	2. User not registered for Easi/Easiest
Individual Shareholder login through their demat accounts/Website of Depository Participant	I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1
	3. Alternatively, by directly accessing the e-Voting website of CDSL
	I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.
Individual Shareholder login through their demat accounts/Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.
	II. Once logged-in, you will be able to see e- Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature.
	III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

DETAILS ON STEP 2 ARE MENTIONED BELOW:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL : <https://emeetings.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote

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- iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).

The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Premier Explosives Limited- AGM' and click on "Submit".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s)
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to cast its vote through remote e-voting/e-voting at the AGM, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kvcr133@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

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- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

DETAILS ON STEP 3 ARE MENTIONED BELOW:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Members will be provided with a facility to attend the AGM through VC/OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.
- ii. Facility for joining AGM through VC/OAVM shall open 15 minutes before the commencement of AGM and shall be closed after the expiry of 15 minutes after such schedule time. The detailed instructions for participation by Members at the 43rd AGM through VC/OAVM forms part of the Notes to this Notice.
- iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members 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.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email Id, mobile number at investors@pelgel.com. Questions / queries received by the Company till September 27, 2023 (5.00 P.M.) shall only be considered and responded during the AGM.

- vi. Members/shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Members may note that the facility of joining/participation at the AGM through VC/OAVM shall be available for atleast 1000 Members on a first-come-first-served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration :** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Speaker Registration' which will be opened from 9.00 A.M.(IST) on September 25, 2023 to 5.00 P.M. (IST) on September 28, 2023. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Queries :** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. by login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Post Your Queries' option which will be opened from September 25, 2023 (9.00 A.M.) to September 28, 2023 (5.00 P.M.)
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of [https:// evoting.kfintech.com](https://evoting.kfintech.com) (KFinTech Website) or write at evoting@kfintech.com or einward.ris@kfintech.com or call KFinTech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on the

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close of Friday, September 22, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- V.** In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890

If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com for all e-voting related matters.

By order of the Board
For **Premier Explosives Limited**

K. Jhansi Laxmi
Company Secretary
MNo: A16577

Place: Secunderabad
Date: September 01, 2023

Registered Office:

'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana- 500015.
Ph: 040-6614 6801 to 05, Fax:040-661406839
CIN:L24110TG1980PLC002633
Email: investors@pelgel.com
Website:www.pelgel.com

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Additional information pursuant to the Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of Special Business pursuant to Section 102 of the Companies Act, 2013:

Item Nos. 3 & 4

Profile of the Directors being Appointed/Re-appointed & fixation of Remuneration

Name	Mr. Y. Durga Prasada Rao Whole-time Director designated as Director-Operations	Dr. Amarnath Gupta Chairman Non-Executive (Non-Independent) Director
DIN	08072805	00053985
Date of birth	20/05/1963	14/04/1945
Age	60 years	78 years
Date of first Appointment on the Board	10/08/2019	20/02/1980
Qualifications	B. Tech (Mechanical Engineering)	M.Sc. (Mining & Engineering), D.Sc. (honorary)
Brief resume, experience, nature of expertise in specific functional area	He holds a Bachelor's degree of Technology in Mechanical Engineering from Sri Venkateswara University, Tirupathi, Andhra Pradesh. He has experience in production of explosives, propellants and project execution. He has been working with your Company since July 01, 1989 and is currently heading the manufacturing activities of our Company at Peddakandukuru and Katepally.	Heading the Company, right from its inception, instrumental in its growth, with active involvement in product development and projects of defence supplies, new products and processes. He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology.
Terms and Conditions of appointment / reappointment	Re-appointment as a Director under Section 152(6) of the Companies Act, 2013	As set out in the Explanatory Statement.
Shareholding in the Company	Nil	26,20,183 equity shares
Relationship with other Directors	None	Spouse of Dr.(Mrs.) Kailash Gupta, Non-Executive Director & Father of Mrs. Shonika Prasad, Non-Executive Director
No of Meetings of the Board attended out of meetings held during the year as on date of Notice	During the FY 2022-23: 5 Board Meetings	During the FY 2022-23: 5 Board Meetings
Directorships held in other companies	Premier Wire Products Limited	• BF Premier Energy Systems Private Limited • PELNEXT Defence Systems Private Limited
Memberships / Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	None	Premier Explosives Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member)
Details of remuneration sought to be paid and the remuneration last drawn	For details of remuneration last drawn in FY 2022-23, please refer to the Corporate Governance Report, which is a part of this Annual Report.	Remuneration sought: As set out in the Explanatory Statement. Remuneration last drawn: For details of remuneration last drawn in FY 2022-23, please refer to the Corporate Governance Report, which is a part of this Annual Report.

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Item No. 4

Dr. Amarnath Gupta, aged 78 years, is the founder promoter, Non-Executive Chairman of the Company having over 48 years of experience in manufacture, design & application of high energy materials. He is a gold medalist in Mining Engineering and has won laurels for his professional skills. The Company under his able guidance was the first to set up a manufacturing unit with totally indigenous commercial explosive technology. He has driven the company towards becoming first private sector manufacturer in India to develop and supply solid propellants to the Country's prestigious missile programmes.

He has been providing guidance, insights and counsel to the Company on various matters from time to time, as Non-Executive Chairman of the Company with effect from February 14, 2022. The key areas where he has always advised the Company, inter-alia, includes advising / developing new strategies for growth path of the Company, promoting business interests, and mentoring the leadership team of the Company. His strategic guidance over the years has added immense value to the Company.

In terms of amended provisions of Section 197 of the Companies Act 2013 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to obtain the approval of shareholders in general meeting by way of Ordinary/Special Resolution, for payment of remuneration & commission to Non-Executive Directors.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of shareholders is required to be obtained by way of Special Resolution every year, in case the annual remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. Dr. Amarnath Gupta is the only Non-Executive Director and Chairman of the Board, who is being paid remuneration. Your approval is therefore sought for the remuneration and benefits, payable to Dr. Amarnath Gupta for the period commencing from 1st April, 2024 to 31st March, 2025, as provided below:

- a) Monthly remuneration of ₹ 2,00,000/- aggregating to ₹ 24,00,000/- for the period commencing from 1st April, 2024 to 31st March, 2025 and;
- b) Apart from the remuneration mentioned above, commission will be paid @ 1 % of the Net Profits calculated in accordance with Section 198 of the Companies Act, 2013, every year.

In addition to sitting fees for attending the meetings of the Board/Committee and reimbursement of all actual expenses including travel or other out of pocket expenses incurred, Dr. Amarnath Gupta would be entitled to a remuneration as mentioned above and as covered in the proposed resolution under Item No. 4 and as may be determined by the Board from time to time.

Dr. Amarnath Gupta is the founder promoter of the Company and holds 26,20,183 equity shares in the Company. Dr. (Mrs.) Kailash Gupta, Non-Executive Director is his spouse and Mrs. Shonika Prasad, Non-Executive Director, is his Daughter.

Dr. Amarnath Gupta and his relatives are interested in the Resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Special Resolution as set out in item no. 4 of the Notice for your approval of Members.

Item No. 5

Ratification of remuneration payable to the Cost Auditors

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved, the appointment of M/s. S.S. Zanwar & Associates (Registration No. 100283), Cost Accountants, as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2024, at a remuneration of ₹ 1,50,000/- per annum (Rupees one lakh fifty thousand only) excluding applicable taxes and out of pocket expenses, if any.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

None of the Promoters, Directors and Key Managerial Personnel of the Company, or their relatives, is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for the approval of Members.

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: September 01, 2023

K. Jhansi Laxmi
Company Secretary
MNo: A16577

Notice of the 43rd Annual General Meeting

Statement to Item no. 4

Additional information in terms of item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013 is furnished below:

I. General Information

1	Nature of Industry	Manufacture of high energy materials and allied products for the defence, space, mining and infrastructure industries. The company has been developing and manufacturing solid propellants for rockets like Pinaka, tactical missiles like Astra, Akash, LRSAM / MRSAM / QRSAM, Brahmos etc., strategic missiles like Agni, Veda and also strap-on-motors for satellite launch vehicles. The extended capabilities of the company include products such as chaff, IR flares, explosive bolts, pyro devices, smoke markers, cable cutters, tear gas grenades and many other products including pyrogen igniters for defence and space applications. The company is a pioneer in indigenising the technology for manufacture of explosives and accessories.
2	Date or expected date of commencement of commercial production	September 9, 1980
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	In the financial year 2022-23, the Company made a turnover of ₹ 20,203.01 lakhs and Profit of ₹ 668.49 lakhs after tax
5	Foreign Investments or collaborations, if any	None

II. Information about the appointees

Dr. Amarnath Gupta

1	Background details	Age: 78 years Qualification: M.Sc. (Mining Engineering) from Indian School of Mines, Dhanbad Distinction: He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology.
2	Past Remuneration	During the year 2022-23, an amount of ₹ 47.76 lakhs was paid to Dr. Amarnath Gupta, Non-executive Chairman towards remuneration, sitting fee, commission @ 1% of net profit and ₹ 12.31 lakhs related to LTA for the F.Y. 2021-22.
3	Recognition or awards	- Received "Honorary Fellowship" from High Energy Materials Society of India - Recipient of 'Pickering and ISM Medal' from Indian School of Mines, Dhanbad - Received Gold Medal from Mining Geological and Metallurgical Institute of India for best paper for the year 1977-78 - Was Chairman of Explosives Development council and Chairman of Explosives Manufacturers Association of India.
4	Job profile and his suitability	Non-Executive Director and Chairman Founder – promoter Steered the company from commercial explosives to technology-products like solid propellants for missile programs Promoted R&D in the Company giving results like receiving DRDO's Technology Absorption Award from Prime Minister of India Responsible for development and production of safer and green detonators using NHN as primer in place of conventional ASA. Has made distinguished contributions to the field of science and technology leading to conferment of Doctor of Science.

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5	Remuneration proposed	As stated in the Notice & Explanatory Statement at Item No. 4 of this Notice
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the company, the profile of the director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar directors, in other companies.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other director, if any	Dr. Amarnath Gupta is holding 24.37% in the paid up equity share capital of the Company. Dr.(Mrs) Kailash Gupta, Non-Executive Director, is his spouse and Mrs. Shonika Prasad, Non-Executive Director, is his daughter.

III. Other Information

1	Reasons of loss or inadequate profits	During the financial year ended March 31, 2023, major reason for inadequacy of profit is due to the lesser contribution from Defence segment and delay in billing from defence products. Remuneration payable under item 4 (i.e., Dr. Amarnath Gupta) would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
2	Steps taken or proposed to be taken for improvement	Due to the huge order inflow during June & July 2023, the company is expected to perform well in FY 2023-24 onwards. The Company is optimistic on the better profitability for the current financial year, due to eased and improved market conditions.
3	Expected increase in productivity and profits in measurable terms.	The Company places priority on defence explosives and continues commercial explosives on feasibility basis. With the execution of the current order book and stabilization of Raw Material prices, the company can get better margins. However, at this point in time, the Company would not be in a position to comment on the overall increase in the productivity/profitability for the financial year, as it is based on various internal and external factors including prospective pandemic induced restrictions and resultant impact, if any.

By order of the Board
For Premier Explosives Limited

Place: Secunderabad
Date: September 01, 2023

K.Jhansi Laxmi
Company Secretary
MNo: A16577



Premier Explosives Limited

CIN: L24110TG1980PLC002633

Premier House, 11 Ishaq Colony, Near AOC Centre,
Secunderabad – 500015, Telangana, India

Phone: 040 66146801 to 5, Email: investors@pelgel.com

www.pelgel.com