Premier Explosives Limited

September 06, 2025

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 45th Annual Report of the Company for the financial year 2024-25

This is further to our letter dated August 12, 2025, wherein it was informed that 45th Annual General Meeting (AGM) of the Members of the Company is scheduled to be held on Tuesday, September 30, 2025 at 11:00 A.M. (IST) 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 2024-25.

The Annual Report for the financial year 2024-25 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 www.pelgel.com

Brief details of AGM are as under:

Date & Time	Tuesday, 30th September, 2025 at 11:00 A.M. (IST)
Mode	Video Conference (VC) / Other Audio Visual Means (OAVM)
Cut-off Date	23rd September, 2025
Evoting start date & time	26th September, 2025 at 09:00 A.M (IST)
E-voting end date & time	29th September, 2025 at 05:00 P.M. (IST)

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For Premier Explosives Limited

Kalakota Jhansi Laxmi
Digitally signed by Kalakota Jhansi Laxmi
Date: 2025.09.06 18:59:57 +05'30'

K. Jhansi Laxmi
Company Secretary

Premier Explosives Limited

Advancing Frontiers Enabling Forces

45th Annual Report 2024-25

STATUTORY REPORTS

FINANCIAL STATEMENTS

NOTICE

About Premier Explosives

PEL, incorporated in 1980, began its journey as a manufacturer of commercial explosives catering to mining, infrastructure, and construction sectors. Over the years, the company has demonstrated remarkable product agility and business model innovation, transforming itself into a technology-driven player in high-energy materials. Today, PEL plays a critical role in supporting India's defence and space programmes, with a growing portfolio of specialised, mission-critical solutions. This shift reflects a deeper strategic orientation—moving from being a supplier of industrial explosives to becoming a partner in national security and space exploration.

Broadening the high-energy materials portfolio

Building on its core expertise in explosives, PEL expanded its capabilities to include advanced products such as solid propellants for missiles and rockets, strap-on motors for satellite launch vehicles, and initiating systems. Its defence-aligned offerings now span chaff, infrared flares, explosive bolts, smoke markers and tear gas grenades—catering to both tactical and strategic applications. These advancements underscore the company's commitment to innovation and its responsiveness to the evolving needs of defence and aerospace clients.

Transitioning into a defence and space partner

PEL's evolution is also reflected in its operational footprint. The company is actively engaged in the operation and maintenance of solid propellant facilities at ISRO's Sriharikota spaceport, reinforcing its status as a trusted partner in India's space endeavours. By embedding itself in high-stakes programmes and national defence value chains, PEL has repositioned its identity—from an industrial supplier to a reliable enabler of national security and space technology.

Highlights:

PEL's journey has been marked by innovation, indigenous development, and deep alignment with India's strategic priorities.

- First Indian company to manufacture solid propellants for missile programs
- First in the world to commercialise greener NHN detonators
- 82% of FY25 revenue derived from Defence & Space segment
- Robust order book of ₹750 crore

This diversified product and service portfolio positions PEL as a leading player in India's defence ecosystem and a trusted partner

Chairman's Letter

These innovations not only reflect our scientific capabilities but also our deep commitment to building indigenous alternatives to imported defence materials. Further, we are happy to share that in March 2025, we have also signed a joint venture agreement and shareholders agreement with Global Munition Limited, a subsidiary of NIBE Ordnance and Maritime Limited (NIBE Group company) This performance underscores our robust execution capabilities, trusted customer relationships, and deep alignment with India's defence goals.

Dear Shareholders,

As we step into FY26, we carry the weight of two tragic incidents at our Peddakandukur and Katepally facilities, which sadly resulted in the loss of five determined workers. These events deeply impacted the entire organisation. In response, we undertook immediate and comprehensive safety improvements, including external reviews, upgraded protocols, and enhanced training. These steps reaffirm our commitment to creating a safe and responsible workplace, where the well-being of every employee remains our top priority.

In parallel, we remained focused on our operational and strategic commitments. I am pleased to share that Premier Explosives continued to maintain its leadership in the niche space of high-energy materials for defence and aerospace. Our workforce of over 838 dedicated and experienced employees, including about 100 engineers and scientists, continues to push the boundaries of what is possible. This highly skilled team has been instrumental in training over 550 personnel in propellant and pyrotechnic products, ensuring that we lead and nurture the next generation of experts in our field. More importantly, we closed the year with a healthy order book of 750cr, offering strong visibility for the year ahead. We also witnessed a remarkable increase in profitability, aided by disciplined cost control, optimised product mix, and better capacity utilisation.

Our engagement with India's strategic programmes deepened significantly during the year. We successfully delivered rocket motors, ignition systems, and explosive components for several prestigious missile platforms, including Akash, Astra, MRSAM, LRSAM, Agni, and BrahMos. Our facilities at Peddakandukur and Katepally operated under tight timelines to meet demanding requirements, reaffirming our role as a trusted supplier to the Indian defence ecosystem. Our relationships with key institutional clients such as Bharat Dynamics Limited (BDL), ISRO, and leading mining and infrastructure companies continued to flourish. These partnerships validate our technical credibility and provide recurring business, forming the backbone of our growth strategy. Aligned with the national goal of self-reliance, we advanced several Make in India initiatives through our R&D efforts. Our research division made significant strides in developing safer and more efficient explosive formulations, including solid propellants, CL-20, HMX are considered one of the most powerful conventional explosives.

These innovations not only reflect our scientific capabilities but also our deep commitment to building indigenous alternatives to imported defence materials. Further, we are happy to share that in March 2025, we have also signed a joint venture agreement and shareholders agreement with Global Munition Limited, a subsidiary of NIBE Ordnance and Maritime Limited (NIBE Group company). This performance underscores our robust execution capabilities, trusted customer relationships, and deep alignment with India's defence goals.

Exports remained a critical pillar of our strategy this year. Our defence overall exports are at 69 Cr. of our revenue, with shipments made to partners in Southeast Asia, West Asia, and Europe. This growth has been fuelled by our reputation for quality and reliability. In an increasingly uncertain geopolitical climate, our ability to serve global defence customers speaks volumes about our competitiveness and trustworthiness. We are now laying the groundwork to enter new international markets and scale up our certifications and compliance standards.

It is important to recognize that the Indian defence sector is at a transformational point. Government reforms, procurement policy changes, and increased budgetary allocations are opening new doors for private players. With our technical expertise, proven reliability, and extensive product portfolio, Premier Explosives is uniquely positioned to serve as a critical enabler of India's defence self-reliance. The Make in India programme is no longer aspirational, it is a working reality, and we are proud to be contributing directly to its success.

Before I close, I would like to express my sincere appreciation to our Board of Directors for their guidance, to our employees for their dedication and strength in a difficult year, and to our customers, partners, and shareholders for their continued faith.

Premier Explosives Limited enters the next phase of its journey with humility, confidence, and a firm resolve to build a safer, stronger, and more self-reliant future for our nation and for those who serve it.

Warm regards,

Dr. A. N. Gupta
Non-Executive Chairman
Premier Explosives Limited

Our workforce of over 838 dedicated and experienced employees, including about 100 engineers and scientists, continues to push the boundaries of what is possible. This highly skilled team has been instrumental in training over 550 personnel in propellant and pyrotechnic products, ensuring that we lead and nurture the next generation of experts in our field. More importantly, we closed the year with a healthy order book of 750cr, offering strong visibility for the year ahead. We also witnessed a remarkable increase in profitability, aided by disciplined cost control, optimised product mix, and better capacity utilisation.

Message from the Managing Director

On the financial strength front, our total assets increased to ₹5,305.4 million from ₹4,446.5 million in FY24. This expansion was driven mainly by a rise in current assets, which grew from ₹2,346.3 million to ₹3,192.2 million. Strong cash flows have fortified our balance sheet, supported by a favourable outlook in the defence and aerospace sectors.

Dear Shareholders,

As we present the 45th Annual Report of Premier Explosives Limited, I reflect on a year of meaningful progress tempered by moments of deep sorrow. We faced two unfortunate fire-related incidents at our Peddakandukur and Katepally units, tragically resulting in the loss of five lives and injuries to others. These incidents had a profound impact across the organization. We responded swiftly by extending full cooperation to authorities, initiating independent inquiries, and reinforcing safety protocols across all facilities. Since then, we have implemented wide-ranging measures to elevate safety standards, reduce risks, and protect the well-being of our workforce.

Throughout the year, the company demonstrated resilience and accountability in advancing India's defence indigenisation agenda. We achieved meaningful growth across our core businesses, enhanced operational efficiencies, and aligned closely with national defence objectives.

Our enduring partnerships with esteemed institutions such as Bharat Dynamics Limited (BDL), the Indian Space Research Organisation (ISRO), and major mining and infrastructure companies reinforce our status as a trusted and strategic contributor to India's defence and industrial ecosystem. These associations not only underscore our technical depth and operational dependability but also provide recurring business that ensures predictable and stable revenue streams. The continued trust and collaboration with these clients—many of whom play a pivotal role in national development—highlight our capacity to consistently deliver on complex and mission-critical demands. As we expand our operations and capabilities, these partnerships offer a strong platform for sustainable growth and long-term value creation.

Our unwavering focus on research and development continues to fuel innovation at the core of our business. In the year under review, we made significant advancements in developing safer, eco-friendly detonators, next-generation solid propellants and High Explosive Compositions tailored for various tactical and strategic missile applications. These innovations not only enhance the performance, safety, and efficiency of our offerings but also fortify our competitive edge in a highly specialised domain. Backed by state-of-the-art manufacturing infrastructure, these technological strides strengthen our leadership in high-energy materials and support the goals of the "Make in India" and Atmanirbhar Bharat missions. Through these efforts, we remain committed to accelerating India's defence self-reliance and reducing dependence on imported technologies.

FY25 – Financial performance overview

During FY25, Premier Explosives Limited reported a strong financial performance, reflecting healthy revenue growth, margin discipline, and a substantial uptick in profitability. This progress highlights the robustness of our core defence and commercial explosives segments, effective cost control, and execution excellence across priority contracts and key customer groups. Revenue from operations rose 54% year-on-year to ₹417 crores, compared to ₹271 crores in FY24. Operating profit for the year stood at ₹580 million, maintaining near parity with ₹585 million in FY24 despite sectoral challenges and a demanding macro environment. We generated a cash profit of ₹40 crores through stable operations and prudent cost structures. Profit After Tax (PAT) reached ₹285.5 million, registering a 1.5% increase. A strong indicator of our forward momentum is our solid order book of ₹750 crores as of March 31, 2025, comprising primarily high-margin defence contracts, which offer robust revenue visibility for the next 14–18 months. Defence exports rose by ₹69 crores during FY25, driven by deliveries to Asia and the Middle East, along with emerging opportunities in Europe. We are now in advanced negotiations for overseas supply contracts—an initiative that will further diversify our revenue mix and deepen our strategic relevance globally.

Financial strength

On the financial strength front, our total assets increased to ₹5,305.4 million from ₹4,446.5 million in FY24. This expansion was driven mainly by a rise in current assets, which grew from ₹2,346.3 million to ₹3,192.2 million. Strong cash flows have fortified our balance sheet, supported by a favourable outlook in the defence and aerospace sectors.

The Board of Directors has recommended a dividend of ₹0.50 per equity share of ₹2 each (25%) for the financial year ended March 31, 2025, subject to the approval of members at the upcoming 45th Annual General Meeting (AGM) of the Company.

Strategic direction and core capabilities

Our financial progress in FY25 is rooted in the strength of our strategic direction and the differentiated capabilities we have built over the years. At the core of our operations lies a commitment to high-quality manufacturing in high-energy materials, including solid propellants, detonators, and countermeasure systems. With seven manufacturing units across India and a team of over 838 experienced professionals—including 100 engineers and scientists—we have established deep expertise and operational reliability in both commercial and defence-grade explosives.

As the first private sector entity to manufacture solid propellants for India's missile programs and the only qualified Indian company for countermeasures, we operate in a niche segment with high entry barriers. Our integrated offerings, which range from bulk explosives for infrastructure to tactical and strategic defence applications, position us as a multi-domain supplier in both domestic and international markets. Additionally, our investments in R&D, including collaborations with institutions like IIT Madras and BITS Pilani, and our development of eco-friendly NHN-based detonators, underscore our emphasis on innovation-led growth.

Order book visibility and future momentum

Our current order book stands at ₹7,500 million—approximately 1.8 times our FY25 revenue—providing strong revenue visibility for the next 14–18 months. Notably, the order book is dominated by high-margin defence contracts, which account for 81% of the total, followed by explosive products and services. These orders span across strategic areas such as countermeasures, rocket motors, solid propellants, and missile integration programs. With growing traction in export markets—especially Asia, the Middle East, and Europe—and active negotiations for overseas supply contracts, we are well-positioned to diversify our revenue streams while reinforcing our role in national defence self-reliance.

In conclusion, I would like to extend my heartfelt gratitude to all our stakeholders. To our employees, for their commitment, skill, and resilience. To our Board of Directors, for their wisdom and guidance. To our customers and partners, including esteemed organisations such as DRDO and ISRO, for their continued trust and collaboration. And to you, our valued shareholders, for your steadfast support and belief in our vision. Together, we are shaping a company that not only manufactures high-energy materials, but also embodies a deeper purpose—to contribute meaningfully to a safer, stronger, and more self-reliant India.

Warm regards,

T V Chowdary
Managing Director

Key Milestones Premier Explosives

Foundation and Early Years (1980–1989)

Premier Explosives Limited (PEL) was founded in 1980 by Dr. A. N. Gupta an alumnus of the Indian School of Mines, Dhanbad. PEL initially as a private company focused on commercial explosives and detonators using indigenous technology. In 1987, it transitioned into a public limited company. By 1989, financial institutions IFCI and ICICI had acquired equity stakes, supporting PEL's next phase of growth.

Early R&D and Quality Initiatives (1990s–2000)

Throughout the early 1990s, PEL emphasised research-driven innovation in explosives technology. By 2000, the firm adopted dematerialisation through NSDL and CDSL, modernising its shareholding structure.

Foray into Defence Propulsion (2003)

In 2003, PEL diversified into defence by starting the development and manufacture of pyrogen igniters and solid propellants, making it one of the first private companies in India to do so. It later became the only private supplier of propellants for missile systems such as Astra, LRSAM, MRSAM, NGARM, QRSAM etc.

NHN Detonator Innovation (2013)

In 2013, PEL became the first company globally to manufacture Nickel Hydrazine Nitrate (NHN)-based detonators on a commercial scale an environmentally safer and technically superior alternative.

Quality Accreditations and Certifications (2010s)

PEL secured ISO 9001 and aerospace-grade AS9100D certifications, gained NABL accreditation for its R&D labs, and established strong research partnerships with institutions like IIT Madras.

R&D and Institutional Collaboration

Established partnerships with IIT Madras, BITS Pilani, and Gulbarga University. Developed cutting-edge propellants for Akash, Astra, and LRSAM missile systems. The in-house R&D lab has received NABL accreditation and DSIR recognition.

Recognition and Awards

Dr. A. N. Gupta was awarded the Asia Pacific Entrepreneurship Award (APEA) and was honoured for contributions to the Indian defence industry and entrepreneurship, and was also awarded the Honorary Fellowship by the High Energy Materials Society of India during 2015-16.

Key Differentiators

Premier Explosives Limited operates at the intersection of civilian industrial applications and strategic national defence priorities. This unique position allows the company to distinguish itself not only in terms of product offerings but also through its deep-rooted involvement in India's defence and space ecosystems. Below are the key differentiators that define PEL's strategic edge across its business verticals:

Strategic Partner to India's Defence and Space Missions

Premier Explosives is a trusted supplier to DRDO, ISRO, and Bharat Dynamics Limited, contributing critical systems to strategic programmes like Akash, Astra, Agni, BrahMos, and MRSAM. Our role in powering India's defence and satellite launch missions reflects decades of proven reliability and technical excellence.

End-to-End Capability in High-Energy Materials

PEL is among the few Indian companies with integrated capabilities across the entire high-energy materials value chain from RDX and HMX synthesis to solid propellants, pyro devices, and warhead filling.

Indigenous Innovation Backed by R&D Excellence

With Department of Scientific and Industrial Research (DSIR) recognized in house R&D, PEL has pioneered breakthrough technologies such as NHN-based detonators, smokeless solid propellants, and lab-scale CL-20 the world's most powerful non-nuclear explosive. Our innovation-driven culture directly supports India's goal of defence self-reliance.

Robust Order Book and Recurring Revenue Streams

As of March 31, 2025, PEL's order book stands at 750cr, with over 81% comprising high-margin defence and aerospace contracts. Recurring orders from long-standing clients ensure stable cash flows and continuous growth.

Export-Ready and Globally Recognised

PEL's defence exports have expanded rapidly, with strong traction in Southeast Asia, the Middle East, and Eastern Europe. Our compliance with global quality and safety standards positions us as a credible Indian exporter in the global defence value chain.

Aligned with Make in India and Atmanirbhar Bharat

PEL's products, processes, and partnerships are fully aligned with the Government of India's indigenisation agenda. From import substitution to technology transfers and GOCO operations, we are actively enabling India's strategic autonomy in defence and aerospace sectors.

Review of Business

Premier Explosives Limited (PEL) offers a diverse range of products and services spanning across commercial, defence, and space domains. With over four decades of expertise in high-energy materials, PEL has evolved into a vital contributor to India's strategic capabilities. The company's offerings are segmented into distinct categories, reflecting its technological prowess and alignment with national objectives. Below is an overview of the key business segments and associated capabilities.

Defence & Space Segment

The only qualified Indian company for countermeasures and also specialises in the export of fully assembled rocket motors.

Premier Explosives Limited (PEL) is a pioneering force in the development and supply of high-energy materials and systems that are integral to India's defence and space programmes. With decades of experience in energetic materials, the company plays a vital role in ensuring the country's strategic preparedness and technological self-reliance.

PEL is a key indigenous supplier for India's defence forces, providing energetic materials and systems that support various stages of weapon and missile platforms—from initiation and propulsion to deployment and separation. These solutions are supplied to major national agencies and branches, including DRDO, BDL, ASL, Indian Army, Indian Air Force, Indian Navy, and select international defence forces through exports.

Key defence products

- Solid propellants for tactical missiles such as Astra, Akash, Agni, BrahMos, MRSAM, and LRSAM
- Pyrotechnic devices including pyrogen igniters, delay compositions, initiators, pyro cartridges, actuators, smoke/flash generators, IR generators, and specialized squibs
- Detonators and explosive bolts for stage separation warhead.
- Advanced explosives such as HMX, RDX, CL-20, and HNS-IV used in warheads, bombs, ammunition, and mines
- Chaffs and flares (infrared and chaff-based) for fighter aircraft and helicopters
- Air target imitators used in air defence training and drills
- New developments in defence
- Lab-scale synthesis of CL-20, a next-generation high-performance explosive
- Warheads for missiles, Drones and Loitering munitions

Supporting India's Strategic Missile Arsenal

Premier Explosives Limited (PEL) plays a critical role in India's prestigious missile development and deployment ecosystem. Through its deep expertise in solid propellants, pyrotechnics, and integration services, PEL supports some of the nation's most advanced tactical, strategic, and cruise missile programs. From booster grain supply and ignition systems to full propellant fulfilment and rocket motor integration, PEL's contributions are foundational to India's missile defence preparedness.

Products – Defence

PEL’s Contributions to India’s Prestigious Missile Programs

Akash

Type
Tactical, Surface to Air

Stage
Production

Client
Bharat Dynamics Limited (BDL)

End User
Indian Air Force and Indian Army

PEL’s Contribution
Supplied 2500+ booster grains and 450+ sustainer grains

MRSAM (Medium Range Surface to Air Missile)

Type
Tactical, Surface to Air

Stage
Production

Client
DRDO / Bharat Dynamics Limited (BDL)

End User
Indian Army

PEL’s Contribution
100% requirements of solid propellants

Agni

Type
Ballistic

Stage
Production

Client
Advanced Systems Laboratory

End User
Strategic Forces Command

PEL’s Contribution
Pyrogen igniters
Agni Prime and Agni Stage 4

BrahMos

Type
Cruise, Air-launched Anti-ship, Land attack

Stage
Production

Client
Brahmos Aerospace

End User
Indian Air Force, Indian Navy and Indian Army

PEL's Contribution
Production & integration of rocket motors

LRSAM (Long Range Surface to Air Missile)

Type
Tactical, Surface to Air

Stage
Production

Client
DRDO / BDL

End User
Indian Navy

PEL's Contribution
100% requirements of solid propellants

Astra

Type
Tactical, Air to Air

Stage
Production

Client
DRDO / BDL

End User
Indian Air Force

PEL's Contribution
100% requirements of solid propellants

Space Segment

PEL is also a critical contributor to India's space programme, particularly ISRO's satellite launch operations. The company provides both products and services essential to launch vehicle performance and safety, operating under the Government-Owned Company-Operated (GOCO) model at the Sriharikota spaceport.

Key space products and services:

- PSOM-XL solid propellant Strap on Motors for ISRO's satellite launch vehicles
- Explosive and pyrotechnic devices used in satellite deployment and recovery systems
- GOCO operations at Sriharikota for the handling, mixing, casting, and integration of solid propellant Rocket Motor segments
- PEL is among the few private-sector companies in India certified and operationally active in large-scale solid propellant handling—a capability of critical national importance.

Strategic Positioning

By leveraging its deep expertise in energetic materials and strategic partnerships with key institutions like DRDO, ISRO, and BDL, PEL has cemented its position as a vital player in India's defence and space ecosystems. Its contributions power critical missile platforms, enhance tactical capabilities, and ensure mission readiness across various branches of the armed forces and national space programs.

How We Performed

Year	Revenue	YoY Change (%)
FY24	1,851	82%
FY25	3,373	

Commercial Explosives Segment

PEL began its journey in the commercial explosives segment and has since built a strong presence across mining and infrastructure sectors. With its reliable and innovative solutions, PEL caters to large-scale civil engineering and mining operations, both in India and abroad.

Products:

- Bulk Explosives
- Cast Boosters
- Detonators (including safer NHN-based detonators)
- Detonating Fuses

Applications:

- Mining (coal, iron ore, limestone)
- Infrastructure (road, dam, tunnel construction)

Clients:

- Coal India Limited
- Singareni Collieries Company Ltd.
- Cement manufacturers
- Construction and mining contractors

Export Markets:

- Greece, Jordan, Turkey, Nepal, Thailand, Philippines, Indonesia, Djibouti, and others.

How We Performed

Year	Revenue	YoY Change (%)
FY24	866	(7%)
FY25	802	

Operations & Maintenance (O&M)

PEL extends its core competencies by managing solid propellant facilities under long-term O&M contracts. These partnerships reflect the trust placed in the company's operational excellence.

- Running solid propellant facilities at:
- ISRO's SHAR Centre (since Jan 2007)

Manufacturing Footprint: To support its growing product lines, PEL operates six strategically located manufacturing units across Telangana, Maharashtra, and Madhya Pradesh.

- Detonators, propellants, boosters (e.g., at Peddakandukur, Katepally)
- Bulk explosives (Singrauli, Chandrapur, Manuguru and Godavarikhani)

Board of Directors

Dr. A.N. Gupta
Non-Executive Chairman

Dr. Gupta is a distinguished professional who has been honoured with the 'Pickering and ISM Medal'. He is a member of the Society of Explosives Engineers, U.S.A., and has previously served as the Chairman of the Explosives Development Council. He is also a Fellow of the High Energy Materials Society of India (HEMSI) and has authored numerous technical papers, which have been presented at national and international seminars and journals.

Mr. T V Chowdary
Managing Director

Mr. Chowdary is a Chemical Engineer with over four decades of experience in the development and production of chemicals, explosives, and solid propellants. His extensive industry knowledge underpins the company's strategic and operational leadership.

Mr. Y Durga Prasad Rao
Director - (Operations)

Mr. Rao is a Mechanical Engineer with 36 years of experience in the manufacturing of explosives, propellants, and refractories. He has also led factory operations, ensuring efficiency and high standards in production management.

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

Dr. Kailash Gupta is a medical doctor by profession and is deeply involved in various social and philanthropic activities, particularly in the healthcare sector.

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

A graduate of Staff College, Wellington, and the National Defence Academy, Khadakwasla, Lt. Gen. Kumar retired as a Lieutenant General from the Indian Army in 2015. He was commissioned into the artillery regiment in 1976 and brings decades of defence experience to the board.

CA. Seshagiri Rao
Independent Director

Mr. Rao is a Chartered Accountant who has been in professional practice since 1976. He has over forty years of experience, specialising in internal and statutory audits for corporate entities and banks, as well as in corporate taxation.

Dr. V G Sekaran
Independent Director

Dr. Sekaran is an eminent missile scientist and the chief designer of the long-range ballistic missile system AGNI5. He has held prominent roles at DRDO including Chief Controller of R&D (Missiles & Strategic Systems), and has led national defence programmes of strategic importance.

Dr. D K Nanda
Independent Director

Dr. Nanda is an expert in mine planning, operations, and management of mineral projects including iron ore, diamond, limestone, and copper. With 38 years of industry experience, he is skilled in mineral beneficiation and developing new materials from waste.

Dr. (Mrs.) Kumuda Raghavan
Independent Director

Dr. Raghavan is a medical professional with rich experience in the healthcare sector. She is actively involved in community healthcare and philanthropic initiatives.

Mrs. Shonika Prasad
Non-Executive Director

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

Senior Management

T V Chowdary
Managing Director

Y. Durga Prasad Rao
Director (Operations)

Mr. Vijay Kumar B.M
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Corporate Information

Board of Directors

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

Mrs. Shonika Prasad
Non-Executive Director

Shri P.R. Tripathi
Independent Director
(Upto August 12, 2024)

Shri Anil Kumar Mehta
Independent Director
(Upto August 12, 2024)

Shri K. Rama Rao
Independent Director
(Upto August 12, 2024)

Dr. A. Venkataraman
Independent Director
(Upto August 12, 2024)

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

Dr. Narendra Kumar Nanda
Independent Director
(w.e.f. August 13, 2024)

Dr. V.G. Sekaran
Independent Director
(w.e.f August 13, 2024)

Mr. Ch Seshagiri Rao
Independent Director
(w.e.f. August 13, 2024)

Dr. (Mrs.) Kumuda Raghavan
Independent Director
(w.e.f August 13, 2024)

Company Secretary & Compliance Officer
Mrs. K. Jhansi Laxmi

Chief Financial Officer
Mr. B.M. Vijay Kumar (from 11.11.2024)
Mr. Srihari Pakalapati (Upto 30.09.2024)

Audit Committee
Dr. N.K. Nanda (Chairman)
Mr. Ch. Seshagiri Rao
Lt. Gen P R Kumar
Dr. A. N. Gupta

Stakeholders Relationship Committee
Lt. Gen P R Kumar (Chairman)
Mr. Ch. Seshagiri Rao
Mr. T.V. Chowdary
Dr. (Mrs.) Kailash Gupta

Nomination & Remuneration Committee
Dr. V G Sekaran (Chairman)
Mr. Ch. Seshagiri Rao
Lt. Gen P R Kumar
Dr. A. N. Gupta

Corporate Social Responsibility Committee
Dr.(Mrs.) Kumuda Raghavan (Chairperson)
Dr. (Mrs.) Kailash Gupta
Mr. T.V. Chowdary

Risk Management Committee
Dr. V G Sekaran (Chairman)
Mr. T.V. Chowdary
Mr. Y. Durga Prasad Rao
Mr. B.M. Vijay Kumar

Independent Auditors
Majeti & Co
Chartered Accountants, Hyderabad

Cost Auditors
S. S. Zanwar & Associates
Cost Accountants, Hyderabad

Secretarial Auditors
K V C Reddy & Associates
Company Secretaries, Hyderabad

Bankers
State Bank of India
HDFC Bank
Yes Bank
SBM Bank (India) Ltd.
ICICI Bank Ltd.

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 3,
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 838
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

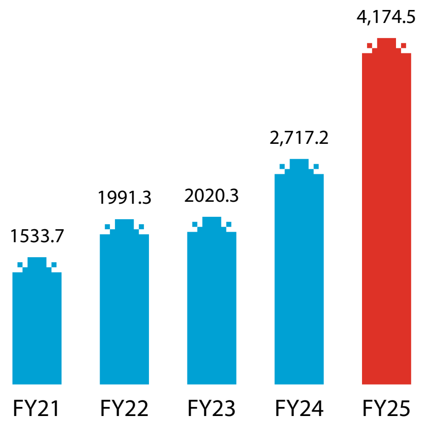
Defence, Space & Explosives Unit Peddakandukur
Detonator, Detonating fuse, Packaged
Explosives, Pyrodevices, Counter measures
and propellants
Product Research & Special Products
Divisions

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

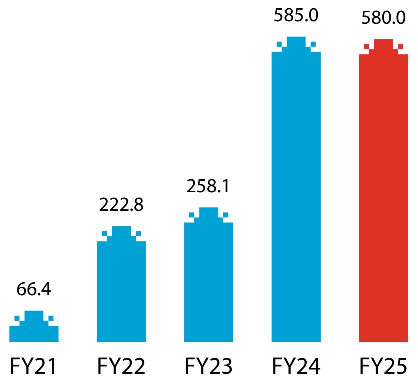
Bulk explosives divisions
Singrauli (Madhya Pradesh) Chandrapur
(Maharashtra) Godavarikhani (Telangana)
Manuguru (Telangana) Neyveli (Tamil Nadu)
Peddakandukur (Telangana)

Performance Highlights

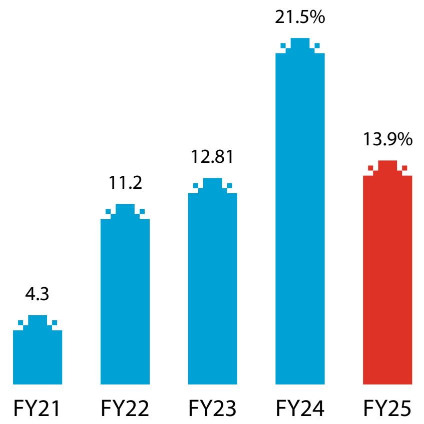
Revenue from Operations (₹ Mn)



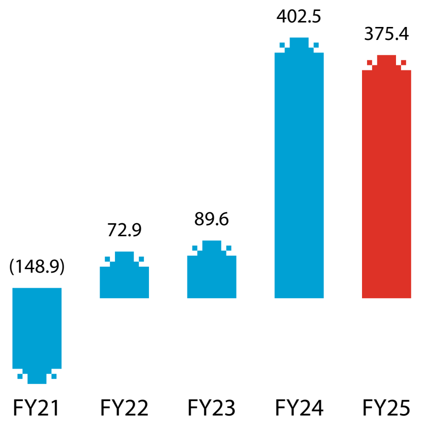
EBITDA



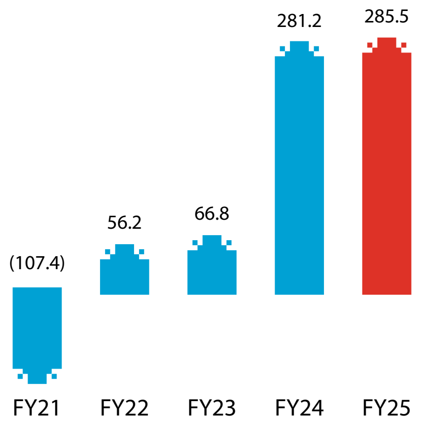
EBITDA Margin (%)



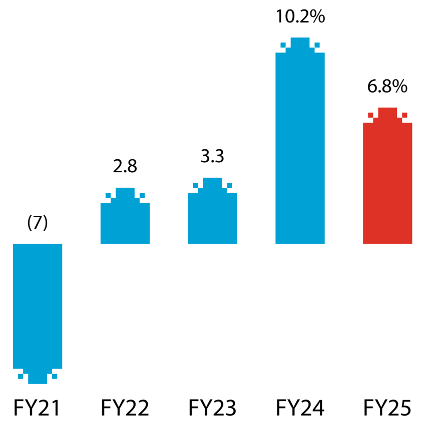
Profit Before Tax (PBT)



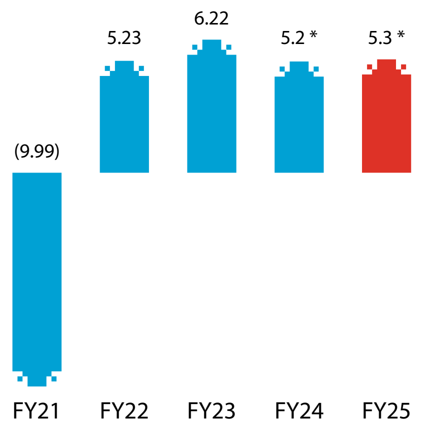
Profit After Tax (PAT)



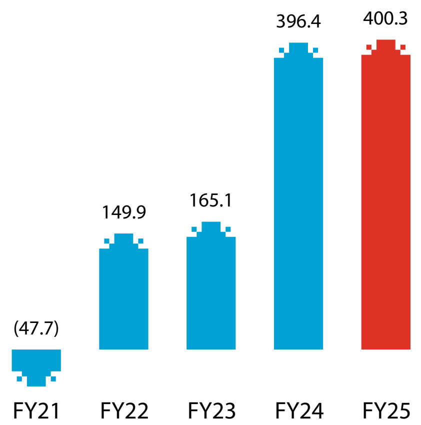
PAT Margin (%)



EPS (in Rs)



Cash PAT (Depreciation + PAT)



* Face value ₹ 2/- per share w.e.f. June, 2024

10 Years at a Glance

Statement of Profit and Loss	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Operating revenue	**41745.23**	**27171.67**	20,203.01	19,912.77	15,337.19	15,650.80	24,093.35	26,590.85	23,071.62	18,498.65
Other income	**211.53**	**405.04**	215.66	189.68	87.15	140.00	259.03	220.49	66.82	46.45
Total revenue (net)	**41956.76**	**27576.71**	20,418.67	20,102.45	15,424.34	15,790.80	24,352.38	26,811.34	23,138.44	18,545.10
EBIDTA	**5799.68**	**5850.31**	2,581.54	2,228.32	664.10	(516.70)	2,343.80	2,001.64	2,839.38	1,760.73
Other income	**211.53**	**405.04**	215.66	189.68	87.15	140.00	259.03	220.49	66.82	46.45
Depreciation	**(1147.42)**	**(1151.69)**	(982.25)	(937.48)	(597.00)	(496.98)	(418.91)	(363.35)	(346.42)	(332.39)
Finance costs	**(1109.55)**	**(1079.01)**	(919.26)	(750.76)	(735.30)	(577.26)	(552.27)	(514.84)	(437.33)	(374.49)
Profit before exceptional items and tax	**3754.24**	**4024.65**	895.69	729.76	(581.05)	(1,450.94)	1,631.65	1,343.94	2,122.45	1,100.30
Exceptional items	-	-	-	-	(908.01)	-	-	-	58.15	(269.46)
Profit before tax	**3754.24**	**4024.65**	895.69	729.76	(1,489.06)	(1,450.94)	1,631.65	1,343.94	2,180.60	830.84
Tax	**-898.98**	**-1212.50**	-227.20	-167.75	414.59	492.70	(459.10)	(470.53)	(705.51)	(263.33)
Profit for the year	**2855.26**	**2812.15**	668.49	562.01	(1,074.47)	(958.24)	1,172.55	873.41	1,475.09	567.51
Other comprehensive income (net)	**(37.63)**	**(108.21)**	(5.01)	(59.98)	(71.40)	17.53	(81.32)	(78.76)	-	-
Total comprehensive income	**2817.63**	**2703.94**	663.48	502.03	(1,145.87)	(940.71)	1,091.23	794.65	1,475.09	567.51
EBIDTA/Operating revenue	**13.89%**	**21.5%**	12.8%	11.2%	4.3%	-3.3%	9.7%	7.5%	12.3%	9.5%
PBT/Total revenue	**8.95%**	**14.6%**	4.4%	3.6%	-9.7%	-9.2%	6.7%	5.0%	9.4%	4.5%
PAT/Total revenue	**6.81%**	**10.2%**	3.3%	2.8%	-7.0%	-6.1%	4.8%	3.3%	6.4%	3.1%

Balance sheet	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
Non-current assets										
Fixed assets and Intangible assets	**27984.82**	**26960.73**	24,932.85	23,199.07	22,262.59	14,828.22	14,516.27	12,839.47	12,531.64	6,358.83
Depreciation and Amortization	**(8309.83)**	**(7199.38)**	(6,070.73)	(5,237.57)	(4,346.07)	(3,763.01)	(3,268.54)	(2,849.93)	(2,495.60)	(2,413.78)
Capital work in progress	**284.73**	**309.37**	181.50	369.82	175.65	6,169.62	3,482.52	1,579.17	368.96	241.82
	19959.72	**20070.72**	19,043.62	18,331.32	18,092.17	17,234.83	14,730.25	11,568.71	10,405.00	4,186.87
Right of Use asset (Leasehold land)*	**86.60**	**79.47**	75.31	76.12	76.93	77.74				
Investment property	**8.02**	**8.02**	8.02	8.02	8.02	8.02	8.02	8.02	8.02	
Investments	**521.00**	**521.00**	521.00	531.00	531.00	531.00	531.00	531.00	526.00	525.00
Other non-current assets	**557.12**	**322.94**	519.78	1,020.48	729.55	1,012.61	1,087.32	730.20	630.23	511.46
Current assets	**31922.28**	**23462.90**	15,731.45	12,374.05	9,974.59	11,763.65	13,233.78	17,779.77	10,482.90	7,745.98
Total assets	**53054.74**	**44465.05**	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31
Share capital	**1075.22**	**1075.22**	1075.22	1,075.22	1,075.22	1,075.22	1,075.22	1,063.71	885.86	885.86
Other equity/ Reserves and surplus	**23499.89**	**20951.07**	18,429.92	17927.72	17,425.69	18,571.56	19,862.25	18,613.11	12,838.51	5,659.27
Share warrants	-	-	-					148.80	-	-
Networth	**24575.11**	**22026.29**	19,505.14	19,002.94	18,500.91	19,646.78	20,937.47	19,825.62	13,724.37	6,545.13
Non-current liabilities										
Financial liabilities	**757.65**	**1257.65**	237.58	516.65	1,031.05	405.32	660.39	818.76	704.72	105.20
Provisions	**1060.55**	**983.69**	701.20	532.71	510.29	391.14	312.24	269.38	312.78	233.66
Deferred tax liability	**1346.53**	**1364.24**	843.20	684.93	514.09	924.34	1,410.28	1,354.17	339.01	408.50
Current liabilities	**25314.90**	**18833.18**	14,612.06	11,603.76	8,855.92	9,260.27	6,269.99	8,349.77	6,971.27	5,676.82
Equity and liabilities	**53054.74**	**44465.05**	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31
Return on capital employed	**14.66%**	**15.00%**	5.50%	7.8%	-4.1%	-4.4%	9.4%	8.3%	17.4%	16.5%
Return on networth	**11.46%**	**12.27%**	3.4%	2.6%	-6.2%	-4.8%	5.2%	4.0%	10.7%	8.7%
Long term Debt / Equity	**0.03**	**0.06**	0.01	0.03	0.06	**0.02**	**0.03**	**0.04**	**0.05**	**0.02**
Current ratio	**1.26**	**1.25**	1.08	1.07	1.13	1.27	2.11	2.13	1.50	1.36

Per share	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Book value per share - ₹	**45.71**	**204.85**	181.41	176.73	172.07	182.72	194.73	184.98	154.93	73.88
Earnings per share - ₹	**5.31**	**5.23**	6.22	5.23	(9.99)	(8.91)	11.00	8.42	16.65	6.41
Dividend per share - ₹	**0.50**	**2.50**	1.70	1.50	-	-	2.70	2.50	3.00	2.00
No. of shareholders	**83,951**	**24,933**	9,991	9,311	9,386	9,707	10,428	10,258	9,715	9,085

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

*new classification from 2019-20

[Sub-division/Split of Equty share:-Pursuant to the approval of the shareholders of the company through postal ballot, one equity share of ₹ 10 /- each fully paid up was subdivided/ split into five equity share of ₹ 2/- each with effect from June 21, 2024.]

Management Discussions and Analysis

Global Economy

The global economy faces a complex landscape marked by recovery persistence, uncertainties, and evolving risks. According to the International Monetary Fund's January 2025 World Economic Outlook, global GDP growth is projected at 3.3% in both 2025 and 2026 slightly below the historical average of 3.7%. The inflation is expected to ease from 4.2% in 2025 to 3.5% in 2026, as central banks move off peak tightening and input price pressures moderate. Advanced economies, including the U.S., Germany, and Japan, continue to perform relatively well, driven by consumer resilience and easing supply constraints. However, emerging markets are contending with tighter capital flows, elevated debt levels, and currency volatility.

Adding to the risk profile, the IMF flagged a likely downgrading of global growth to 2.8% in 2025 due to escalating trade protectionism particularly U.S. tariffs if policy tensions remain unresolved. Energy prices, sensitive to geopolitical developments such as unrest in the Middle East, also pose upside inflation risks. On the upside, global disinflation continues, with annual inflation trending down partly due to stabilizing commodity prices. Digital transformation and AI integration are projected to boost productivity and innovation, though they also raise concerns about data regulation and labour displacement.

Emerging economies are also experiencing divergent recoveries. While large economies like India and Indonesia are maintaining strong growth momentum, others remain vulnerable to external debt stress and sluggish export demand. Additionally, central banks in Latin America and parts of Asia are cautiously transitioning from tightening to neutral stances, reflecting improved inflation outlooks. Global financial conditions remain tight, and a sudden shift in risk sentiment could spark capital outflows, particularly in low-income economies with limited fiscal buffers.

Sustaining global economic stability will depend on coordinated policy balancing inflation control, trade normalization, and strategic investment in digital and green infrastructure. Navigating this transitional phase efficiently will be key to moving from recovery toward durable and inclusive growth. For companies operating in strategic and export-oriented sectors like Premier Explosives Limited, global macroeconomic trends will play a critical role in shaping demand patterns, operational stability, and long-term competitiveness.

Indian Economy

India's economy has emerged as a bright spot on the global economic map, maintaining robust momentum even amid global uncertainties. The International Monetary Fund (IMF) projected India's GDP growth at 6.5% to 7.0% in FY 2024–25, moderating slightly to 6.5% in FY 2025–26, making India the fastest-growing major economy in the world. This growth is supported by strong domestic demand, resilient private consumption, rising investments, and structural reforms focused on improving logistics and manufacturing competitiveness.

In FY 2023–24, core sectors demonstrated strong performance. Construction and manufacturing grew by 10.7% and 8.5%, respectively, contributing significantly to Gross Value Added (GVA) growth. The credit ecosystem has remained supportive, with credit to MSMEs growing by 14.1% YoY and lending to NBFCs and the services sector rising by 20.2%, according to the Reserve Bank of India (RBI). These figures reflect the strengthening of financial inclusion and the rise of formal credit in rural and semi-urban sectors.

The repo rate has been maintained at 6.5% by the RBI, indicating a cautious monetary stance aimed at controlling inflation while supporting growth. Retail inflation (CPI) has trended downwards and is expected to remain within the central bank's tolerance band of 2–6%, converging toward the 4% target in the medium term.

Despite the optimistic outlook, risks persist in the form of high food prices, global commodity volatility, trade disruptions, and financial contagion from other emerging markets India's economy continues to demonstrate strength, agility, and long-term potential in a rapidly evolving global landscape. With strong fundamentals, supportive policies, and a focus on infrastructure, innovation, and inclusion, India is well-positioned to sustain its growth trajectory. While external risks remain, the country's robust macroeconomic framework and reform-driven momentum provide confidence in its ability to navigate challenges and emerge as a key global economic leader.

Global Defence and Aerospace sector

The global defence sector is undergoing a profound transformation, driven by escalating geopolitical tensions, evolving threat perceptions, and accelerated technological advancements. According to the Stockholm International Peace Research Institute (SIPRI), global military expenditure reached an all-time high of USD 2,718 billion in 2024, registering a 9.4% year-on-year increase the steepest rise since 1988. This accounts for approximately 2.5% of global GDP, reflecting the heightened emphasis that governments around the world are placing on national security and strategic preparedness.

The surge in defence spending is not geographically isolated; all regions recorded increases. In Europe, military budgets rose sharply in response to the ongoing Russia and Ukraine war. European NATO members, in particular, ramped up investments to meet alliance defence spending commitments. Russia's defence budget increased by 24% to USD 149 billion, marking its highest-ever allocation. Ukraine, facing direct conflict, allocated nearly USD 65 billion, making it one of the top defence spenders globally.

The aerospace segment, which includes both defence and commercial aviation, is recovering steadily post-COVID. Commercial aerospace is witnessing renewed aircraft demand amid rising air travel, while defence aerospace continues to see robust procurement of fighter jets, missiles, drones, and space surveillance assets. Nations are increasingly integrating air and space capabilities into their broader security architecture accelerating demand for reliable propulsion systems, countermeasures, high-energy materials, and solid-state technologies.

In the Asia-Pacific, regional flashpoints such as the South China Sea, Taiwan Strait, and Indo-Pacific maritime zones continue to influence strategic behaviour. China's military expenditure stood at USD 314 billion, up by 6%, making it the second-largest defence spender globally. India, maintaining its strategic posture, recorded an increase of 4.2% in military spending, reaching approximately USD 83.6 billion, retaining its rank as the fourth-largest global spender.

The United States remains the dominant force, with defence spending touching USD 997 billion, representing 37% of global military expenditure. U.S. investment spans across conventional forces, space defence, cyber capabilities, and nuclear modernization setting a trend that many allied nations are following.

Emerging threats are reshaping priorities. Governments are increasingly directing funds toward cybersecurity, artificial intelligence (AI), space warfare, unmanned aerial systems (UAS), and precision-guided munitions. These evolving priorities are redefining the defence-industrial base, creating demand for high-tech suppliers, agile innovation, and resilient supply chains.

Another defining trend is the increased role of private sector players. With many countries adopting policies to indigenise defence manufacturing and diversify procurement channels, private companies with specialised capabilities like Premier Explosives Limited are emerging as integral partners to government-led defence modernisation initiatives. From high-energy materials to pyrotechnic systems and solid propellants, firms that bring indigenous R&D, export readiness, and compliance with global standards are finding wider acceptance.

Indian Defence Sector

India continues to reinforce its position as one of the world's largest and fastest-growing defence markets. As per the Union Budget 2024–25, the country allocated ₹6.21 lakh crore (approximately USD 74 billion) towards defence spending, a 4.72% increase over the previous year's budget estimates. This represents 1.89% of India's projected GDP, underscoring the government's unwavering commitment to bolstering national security and building indigenous capability.

India's strategic priorities are shaped by a complex threat environment, including persistent border tensions with China, the unresolved security dynamic with Pakistan, and evolving regional maritime concerns. Against this backdrop, India is focusing on modernising its armed forces through investments in missile systems, drones, naval platforms, electronic warfare, and space-based surveillance systems. Programmes such as Akash, Astra, Agni, BrahMos, LRSAM, and MRSAM highlight the sophistication and scale of India's defence ambitions areas where Premier Explosives Limited (PEL) plays a vital role.

A defining pillar of the sector's transformation is the "Atmanirbhar Bharat" (Self-Reliant India) initiative. With the Ministry of Defence (MOD) placing over 500 items on a positive indigenisation list, the government has created a strong policy push for domestic manufacturing. Additionally, reforms in procurement processes, defence offset obligations, and the Strategic Partnership model have created space for private sector participation. PEL, with its capabilities in solid propellants, energetic materials, and countermeasures, is well-positioned to benefit from this policy direction.

Another milestone is India's surge in defence exports is a record high of Rs 23,622 crore (approx. US$ 2.76 Billion) in the Financial Year (FY) 2024-25. A growth of Rs 2,539 crore or 12.04% has been registered in the just-concluded FY over the defence exports figures of FY 2023-24, which were Rs 21,083 crore. Indian firms are now exporting missiles, weapon simulators, radars, and ammunition to Southeast Asia, the Middle East, and Eastern Europe. The private sector contributed nearly 60% of these exports, with Premier Explosives among the emerging exporters of critical inputs such as propellants and flares. India's commitment to self-reliance is also visible in the establishment of GOCO (Government-Owned Company-Operated) models for running critical defence production units. PEL operates facilities for ISRO's SHAR Centre and DRDO's Solid Fuel Complex, reinforcing its role as a dependable partner in national defence infrastructure.

Looking ahead, increased capital outlay, policy certainty, and growing operational collaborations with friendly foreign nations position India for long-term strategic autonomy in defence. The country's young engineering talent, advanced R&D ecosystem, and proactive regulatory reforms further strengthen this trajectory.

India's emphasis on indigenisation, deterrence capability, and defence preparedness has intensified. This evolving security landscape drives demand for precision weapon systems, advanced explosives, and missile-grade propellants all areas where Premier Explosives Limited (PEL) has proven capabilities. India's focus on reducing dependency on imports and preparing for dual-front readiness reinforces the strategic importance of domestic defence suppliers like PEL.

Explosives industry

The global commercial explosives industry plays a critical role in enabling large-scale mining, infrastructure, and construction projects. In India, the sector is deeply intertwined with the country's economic growth, particularly in coal mining, limestone extraction, road construction, tunnelling, and infrastructure modernisation. As India ramps up its energy and infrastructure capacity, demand for safe, reliable, and cost-effective explosives is expected to continue growing.

In South Asian region, India stands as a prominent player and largest shareholder in industrial explosives. The coal mining and quarry sectors across the country are experiencing high demand and hence, more exploration activities are being on the way to boost the market. India is one of the fastest growing countries and industrialization in the country is at a high pace which demands high power supplies and manufacturing raw materials, also India is the second largest producer of coal worldwide, and owing to that reason mining Industry is growing upwards in the country and hence enhancing the demand for industrial explosives. The industrial explosives market in India is estimated to grow with a healthy CAGR of 7.4% over the forecast period and provide significant opportunities in the global explosives market. With improvement in the performance of construction and infrastructure sector, market to witness a higher growth outlook in the country. Policies Launched in Favor of industrial explosives, coupled with high growth in the mining sector, have created a conducive environment for the growth of the explosive industry in the country. The country also has the presence of many prominent manufacturers. In South Asian region, India stands as a prominent player and largest shareholder in industrial explosives. The coal mining and quarry sectors across the country are experiencing high demand and hence, more exploration activities are being on the way to boost the market.

PEL caters to both domestic and international markets, exporting commercial explosives to countries including Israel, Jordan, Greece, Thailand, and Indonesia. This export strength not only diversifies revenue but also reflects the company's adherence to stringent global standards of quality and safety. While the explosives industry remains exposed to raw material volatility and regulatory oversight, the long-term outlook remains positive due to rising mineral demand, government-backed infrastructure spending, and ongoing emphasis on energy security.

Financial performance- Overview

In FY25, Premier Explosives Limited recorded a strong 53.6% growth in revenue from operations, reaching ₹4,174.5 million. However, expenses rose by 68.5%, compressing operating margins to 13.9% from 21.5% the previous year. Operating profit remained steady at ₹580 million, while profit after tax rose slightly by 1.5% to ₹285.5 million, supported by a 25.8% drop in tax expenses. Despite a 47.7% fall in other income, the company has maintained profitability and posted a modest EPS growth of 1.9%, reflecting operational resilience amid cost pressures. PEL remains focused on margin optimisation and sustained growth through its defence-led portfolio.

Description	FY24 (Mn)	FY25 (Mn)	YOY %
Revenue from Operations	2717.2	4174.5	53.6
Expenses	2132.2	3594.6	68.5
Operating Profit	585	579.90	-0.9
Operating Margins (%)	21.5	13.9	-35.3
Other Income	40.5	21.2	-47.7
Depreciation	115.2	114.7	-0.4
Interest	107.9	111.0	2.8
Profit Before Tax	402.5	375.4	-6.7
Tax	121.3	89.9	-25.8
Profit After Tax	281.2	285.5	1.5
EPS	5.2	5.3	1.9

Ratios

In FY25, Premier Explosives reported a stronger ROCE of 14.7% and maintained a healthy ROE of 12%. However, EBITDA margin declined to 13.9% due to rising input costs and the debt-to-equity ratio from 0.30 to 0.18.

Metric	FY24	FY25
EBITDA	21.50	13.9
ROCE	15.00	14.7
ROE	14	12
Debt to equity	0.30	0.18

Revenue:

Building on the momentum of rising defence demand and execution strength, Premier Explosives Limited delivered a sharp increase in revenue during FY25. Operating revenue surged by 53.6% to ₹4,174.5 million, up from ₹2,717.2 million in FY24, driven by robust defence orders. Despite a decline in other income, total revenue increased 52.14% year-over-year.

Revenue in(Mn)	FY24	FY25	Change (%)
Operating revenue	2,717.2	4,174.50	53.6
Other income	40.50	21.20	-47.7
Total revenue	2757.70	4195.7	52.14

Balance Sheet Items- Assets

Premier Explosives Limited's total assets rose to ₹5,305.4 million from ₹4,446.5 million in FY24, reflecting a year-on-year growth of over 19.3%. This increase was primarily driven by a substantial rise in current assets, which expanded from ₹2,346.3 million to ₹3,192.2 million, indicating higher receivables, inventory, and operational cash to support a growing order book. Net fixed assets remained steady at ₹1,905.9 million, suggesting stable infrastructure utilisation, while capital work-in-progress slightly declined to ₹28.5 million, pointing to near completion of ongoing projects. Other non-current assets also rose modestly to ₹165.9 million million, reflecting advances and security deposits. The overall asset expansion underlines PEL's preparedness to scale up production and execution capacity in line with its long-term growth strategy.

Balance Sheet Items- liabilities

As your company entered a phase of heightened operational scale and order execution in FY25, its financial structure evolved to support this momentum. The company's total liabilities stood at ₹5,305.4 million at the end of March 2025, up from ₹4,446.5 million in the previous year, reflecting increased business activity and the need for greater working capital. A significant part of this increase came from current liabilities, which rose to ₹2,531.5 million from ₹1,883.3 million, suggesting higher trade obligations and short-term financing to manage order fulfilment and raw material procurement. In contrast, non-current liabilities decreased modestly to ₹316.5 million from ₹360.6 million, indicating lower reliance on long-term debt or repayment of earlier borrowings. This shift in the liability mix aligns with the company's project-driven business model and its ability to fund near-term expansion while maintaining prudent financial leverage.

Segmental Performance

Defence & Space Services

PEL's Defence & Space services segment continued to dominate in FY25, contributing approximately ₹3,380 million to the total revenue an impressive year-on-year growth of over 82%. The successful execution of high-value contracts for missile propellants, ignition systems, and countermeasures drove the surge. Strong institutional demand from DRDO, BDL, and ISRO, combined with growing exports to Southeast Asia and Europe, further bolstered the segment. The company's consistent focus on indigenisation and strategic materials has reinforced its standing as a dependable partner in India's national security framework.

Commercial Explosives

The Commercial Explosives showed revenue of ₹802 million in FY25 as against ₹866 million in FY24. While demand from the mining and infrastructure sectors remained stable, global raw material inflation and logistics constraints limited volume growth. However, strategic market expansion initiatives and product innovations, such as safer NHN-based detonators, offer potential for sustainable revival in both domestic and export markets.

Order Book and Revenue Visibility

PEL closed FY25 with an order book of ₹7,500 million, representing nearly 1.8 times the year's revenue. Around 81% of the backlog is attributable to defence and aerospace contracts, ensuring continued high-margin execution. Major orders include supplies for Akash, Astra, BrahMos, and chaff/flare systems for Indian defence forces. With most of these scheduled for delivery over the next 12 months, PEL enters FY26 with solid revenue visibility and operational momentum across its key verticals.

Directors' Report

Dear Members

Your directors are pleased to present the 45th annual report including the audited financial statements of your company for the year ended March 31, 2025.

1. Financial summary

(Rs. in lakhs)

	Standalone		Consolidated	
	2024-25	**2023-24**	**2024-25**	**2023-24**
Profit / (Loss) for the year				
Operating revenue	**41745.23**	**27171.67**	**41745.23**	**27171.67**
Other income	**211.53**	**405.04**	**211.32**	**414.86**
Total revenue	**41956.76**	**27576.71**	**41956.55**	**27586.53**
EBIDTA	**5799.68**	**5850.31**	**5797.59**	**5848.96**
% to Operating revenue	**13.89%**	**21.53%**	**13.88%**	**21.53%**
Profit / (Loss) before tax	**3754.24**	**4024.65**	**3779.86**	**4061.74**
Profit / (Loss) after tax	**2855.26**	**2812.15**	**2873.33**	**2841.76**
% to Total revenue	**6.81%**	**10.20%**	**6.88%**	**10.30%**
EPS (Rs.)	**5.31**	**5.23**	**5.34**	**5.27**
Appropriations				
Retained earnings at beginning of the year	**11960.57**	**9331.21**	**11948.93**	**9296.06**
Profit / (Loss) for the year	**2855.26**	**2812.15**	**2869.53**	**2835.66**
Non-controlling interest				
Dividend paid for previous year and tax thereon	**(268.81)**	**(182.79)**	**(268.81)**	**(182.79)**
Retained earnings at end of the year	**14547.02**	**11960.57**	**14549.65**	**11948.93**

2. State of affairs

The performance of the company in terms of Revenues has improved during the year 2024-25. Operating EBIDTA is Rs. 5799.68 as compared to Rs. 5850.31 lakhs and Profit before tax is Rs.3754.24 lakhs as compared to Rs. 4024.65 during previous year. Profit after tax stands at Rs.2855.26 lakhs as compared to Rs. 2812.15 lakhs for the year 2023-24. The Raw Material supplies and prices were stabilized during the year which will give positive impact in near future.

Operations

Production of detonators was 10.36 million pieces as against 11.55 million pieces in previous year. The Company has executed several orders in defence during the year Operations & maintenance contracts at Sriharikota has been satisfactory during the Financial Year 2024-25.

The production of bulk explosives increased to 8557 tonnes from previous year's 8522 tonnes.

3. Capital expenditure

During the year the company incurred the capital expenditure of Rs.995.58 lakhs on fixed assets, Rs.8.00 lakhs on right-of-use of asset and Rs.81.28 lakhs on intangible assets.

4. Dividend

The Board of Directors of your company, at their Meeting held on May 22, 2025, has recommended payment of Rs. 0.50/- (Rupees Fifty paise only) (25%) per equity share, as final dividend for the financial year ended March 31, 2025. 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 2024-25 would aggregate to Rs. 268.81 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.

Dividend Distribution Policy

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, your Company has adopted a Dividend Distribution Policy formulated by the Board specifying the financial parameters, factors and circumstances to be considered in determining the distribution of dividend to shareholders and / or retaining profits earned by the Company.

The web link of the Dividend Distribution Policy has been provided below for the perusal of the shareholders - https://www.pelgel.com/codconcsr.html

5. Share capital and reserves

a) Stock Split

During the financial year under review, the existing equity shares of the company have undergone sub-division/ split, such that 1 (one) equity share having face value of Rs.10/- each, fully paid-up, was sub-divided/ split into 5 equity shares having face value of Rs. 2/- each, fully paid-up, ranking pari-passu in all respects with effect from June 21, 2024 ("Record Date"), pursuant to the approvals received from the shareholders of the company through postal ballot by way of remote e-voting on Saturday, May 25, 2024 (being the last date of remote e-voting).

b) Alteration of AOA and MOA of the company

During the financial year under review, the Capital Clause

(Clause V) of the Memorandum of Association of the Company was altered/amended, pursuant to the split of face value of equity shares of the company from Rs. 10/- (Rupees Ten) each to Rs. 2/- (Rupees Two) each, through Postal Ballot process (Postal Ballot Notice dated April 19, 2024) by way of remote e-voting. The approval of the members was received on Saturday, May 25, 2024 (being last date of remote e-voting).

c) Share capital

During the year under review, there is no change in the Share Capital of the Company, which stood at Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares having face value of Rs.2/- each and the paid up Share Capital of the Company as on March 31, 2025 was Rs.10,75,22,390/- divided into 5,37,61,195 equity shares of Rs.2/- each fully paid up, except stock split due to which the existing equity shares of the company have undergone sub-division/ split, such that 1 (one) equity share having face value of Rs.10/- each, fully paid-up, was sub-divided/ split into 5 equity shares having face value of Rs. 2/- each, fully paid-up, ranking pari-passu in all respects with effect from June 21, 2024 ("Record Date")

Apart from the above, the company has not raised any funds or issued further shares in the form of equity during the financial year ended on March 31, 2025.

d) 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.

Accidents at Peddakandukuru and Katepally Facilities

During the financial year, there was a fire accident on January 04, 2025 in one of the pyro technique manufacturing facility at Peddakandukuru plant, resulting in damage to the building and equipment. We are deeply saddened to report the loss of one person in this incident.

Subsequent to the date of financial statements, on April 29, 2025, a fire and explosion occurred in the propellant mixing building at our Katepally plant/facility, leading to significant structural and equipment damage and, most regrettably, the loss of four lives. The operations at the plant were temporarily paused to facilitate restoration of structures and replacement of equipment/machinery.

We extend our sincere condolences to the families of the deceased and have taken steps to support them. The safety and well-being of our employees remain our highest priority. Comprehensive internal investigations have been conducted, and we are reinforcing our safety protocols, training programs, and operational procedures to prevent recurrence of such incidents.

All affected assets were appropriately insured, and the Company has initiated claims under its insurance policies.

8. Material changes and commitments after the reporting period

Other than above, there have been no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

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 Rs. 0.91 lakh during 2024-25 (Rs.0.90 lakh during 2023-24).

As on 31st March, 2025, 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, Yadadri Bhuvanagiri 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 Rs. 26.53 lakhs during the year ended March 31, 2025 and the company has accumulated profit of Rs. 15.91 lakhs as at March 31, 2025 (Revenue of Rs.Nil lakhs and Net Loss of Rs.3.07 lakhs during previous year).

As on 31st March, 2025, Premier Explosives Limited held 52,00,000 Equity shares in PWPL representing 80% of their equity share capital.

c) Global Premier Limited, a 49% jointly controlled entity

The Registrar of Companies, Mumbai, on March 07, 2025 has duly approved the incorporation under the Companies Act, 2013, of GLOBAL PREMIER LIMITED, a joint venture company between Premier Explosives Limited (PEL) and Global Munition Limited, a subsidiary of NIBE Ordanance and Maritime Limited (NIBE Group Company) to manufacture Defence and Aerospace products.

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

The Company has received multiple Development Orders from Overseas Customers for design and development of propulsion systems for Guided Artillery rockets and SAM propulsion systems. We have also received further production orders for booster rockets and warheads for Loitering Munition/UAVs which were developed by the company earlier.

One of the thrust areas for your company is to successfully design and develop the new rocket and missile propulsion systems which will be followed by supply of bulk quantities for the production orders. The increase in export orders will be playing a major part of our revenues in future business

PEL is now not only diversifying its products but also taking on new challenges especially post OP-Sindoor. In addition to making countermeasures like Chaffs & Flares for the Air Force & Nipun Mines for the Indian Army, PEL in the current year has also embarked on taking on production of Canopy Severance System (CSS) for all fighter Planes of the Air Force. The company is working with complete professional adroitness & a penchant for exactitude to ensure that the right store is delivered at the right place and the right time to ensure that our defense forces live up to all challenges against our adversaries.

The operations in Bulk explosives division are also getting stabilized with the existing supplies order from Singareni and also new supply tender from Coal India in the month of July 2027 and also the cooling off 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, 2025, 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, 2025 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 2024-25, seven (7) Board meetings were convened and held on 19th April, 2024; 30thMay, 2024; 18th July, 2024; 30th August, 2024; 11th November, 2024; 11th December, 2024 and 12th February, 2025.

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

a. Directors

During the year under review, there were some changes in the Board of Directors and Key Managerial Personnel (KMPs) of the Company.

The Composition of the Board of Directors as on 31.03.2025 is as under:

Name	Designation
Dr. Amarnath Gupta	Chairman, Non-Executive Non Independent Director
Mr. T.V. Chowdary	Managing Director
Mr. Y Durga Prasada Rao	Director-(Operations)
Dr.(Mrs.) Kailash Gupta	Non-Executive Non Independent Director
Dr. Narendra Kumar Nanda	Non-Executive Independent Director
Dr. Gnana Sekaran Venkatasamy	Non-Executive Independent Director
Mr. Ch Seshagiri Rao	Non-Executive Independent Director
Dr.(Mrs.) Kumuda Raghavan	Non-Executive Independent Director
Lt.Gen. P R Kumar (Retd.)	Non-Executive Independent Director
Mrs. Shonika Prasad	Non-Executive Non Independent Director

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate from a Practicing Company Secretary is annexed as Annexure – 5

Independence of the Board:

The Board comprises of optimal number of Independent Directors. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are independent in terms of Regulations 16(1)(b) and 25 of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act:

1. Dr. Narendra Kumar Nanda (DIN: 02455894)
2. Dr. Gnana Sekaran Venkatasamy (DIN: 02012032)
3. Mr. Ch Seshagiri Rao (DIN:10595215)
4. Dr.(Mrs.) Kumuda Raghavan (DIN:10698094)
5. Lt Gen. P R Kumar (Retd.) (DIN:07352541)

All the abovenamed Directors have registered themselves with the Independent Directors Databank maintained by Indian Institute of Corporate Affairs ('IICA') and are either exempted from or have complied with the requirements of online proficiency self-assessment test conducted by IICA. The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, experience, proficiency, expertise and hold high standards of integrity.

b. Retirement by Rotation

As per the provisions of the Companies Act, 2013 read with Companies (Qualifications and Appointment of Directors) Rules, 2014, Dr. Amarnath Gupta (DIN:00053985) Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

The Board of Directors recommends his re-appointment at Item No. 3 of the Notice convening 45th Annual General Meeting of the Company for consideration of the shareholders 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 45rd AGM, forming part of the Annual Report.

c. Cessation of Directors:

During the financial year under review, Sri Prabhakar Ram Tripathi (DIN: 00376429), Sri Anil Kumar Mehta (DIN: 00040517), Sri K. Rama Rao (DIN: 02678860) and Dr. A Venkataraman (DIN: 02669952), Non-Executive Independent Directors of the Company have completed their second term on August 12, 2024 and accordingly ceased to be Independent Directors of the Company with effect from August 13, 2024.

Key Managerial Personnel ('KMP'):

During the year under review, Mr. Srihari Pakalapati has resigned as Chief Financial Officer w.e.f. September 30, 2024 and Mr. Vijay Kumar B.M has been appointed as the Chief Financial Officer w.e.f. November 11, 2024.

Pursuant to the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel of the Company are Mr. T.V. Chowdary, Managing Director, Mr. B.M. Vijay Kumar, 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 Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee

- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

A detailed disclosure on the Board, its Committees, composition, brief terms of reference, and no of board and committee meetings held d and attendance of the directors at each meeting is provided in the Corporate Governance Report, a part of this Annual Report.

Pursuant to the Cessation of Sri P R Tripathi, Sri K. Rama Rao, Sri Anil Kumar Mehta and Dr. A. Venkataram, as Non-Executive Independent Directors of the Company, on completion of their second term of five consecutive years on August 12, 2024:

i) The Audit Committee was re-constituted w.e.f.13.08.2024. The Audit Committee at present (w.e.f 13.08.2024) comprises of Dr. Narendra Kumar Nanda (Chairman-Independent Director), Mr. Ch. Seshagiri Rao (Member-Independent Director), Lt.Gen P R Kumar (Member-Independent Director) and Dr. Amarnath Gupta (Member-Non-Executive Non-Independent Director) as its Members.

ii) the Nomination and Remuneration Committee was re-constituted w.e.f. 13.08.2024. The Nomination and Remuneration Committee at present (w.e.f.13.08.2024) comprises of Dr. V G Sekaran (Chairman-Independent Director), Mr. Ch. Seshagiri Rao (Member-Independent Director), Lt.Gen P R Kumar (Member-Independent Director) and Dr. Amarnath Gupta (Member-Non-Executive Non-Independent Director) as its Members

iii) the Stakeholders' Relationship Committee was re-consituted w.e.f.13.08.2024. The Stakeholders' Relationship Committee at present (w.e.f. 13.08.2024) comprises of Lt.Gen P R Kumar (Chairman-Independent Director), Mr. Ch. Seshagiri Rao (Member-Independent Director), Mr. T V. Chowdary (Member-Managing Director) and Dr.(Mrs.) Kailash Gupta (Member-Non-Executive Director)

iv) After the re-constitution of CSR Committee, presently, the Corporate Social Responsibility Committee comprises of three Members viz., Dr.(MRs.) Kumuda Raghavan (Chairman-Independent Director), Mr. T V. Chowdary (Member-Managing Director) and Dr.(Mrs.) Kailash Gupta (Member-Non-Executive Director)

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.

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.

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 Peddakandukuru (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

<table>
<tr><th>Perquisite</th><th>Amount</th></tr>
<tr><td>Reimbursement of medical expenses for self and family / Medical allowance</td><td>Up to one month basic salary in a year to whom ESI is not applicable</td></tr>
<tr><td>Mediclaim and personal accident insurance</td><td>Reasonable coverage to whom ESI is not applicable</td></tr>
<tr><td>Leave travel allowance</td><td>Workers - as per wage agreement</td></tr>
<tr><td>Use of Company car with driver or reimbursement of driver salary, fuel, maintenance and insurance</td><td rowspan="3">For Directors-as recommended by Board and approved by Shareholders
For Management team-as approved by Committee of Whole time Directors</td></tr>
<tr><td>Telephone at home, Club fee</td></tr>
<tr><td>Gas, electricity, water, servant, security, gardener and soft furnishing.(Up to 10% of basic salary)</td></tr>
</table>

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 Rs.5,07,522.00 (pertaining to interim dividend for the financial year 2016-17) 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 had to transfer during the year 30,290 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. R S N L & Associates, Chartered Accountants, as Internal Auditors to conduct Internal Audit of the Company for the financial year 2025-2026.

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 2024-25.

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 2025-26 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 2025-26.. 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, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on August 12, 2025 appointed M/s. K.V.C. Reddy & Associates, Company Secretaries, Hyderabad, as Secretarial Auditor of the Company, to conduct the secretarial audit of the Company for a term of five consecutive financial years commencing from financial year 2025-26 till financial year 2029-30, at such remuneration as may be determined by the Board of Directors of the Company. Pursuant to SEBI Notification dated December 12, 2024, the resolution seeking shareholder's approval for this appointment forms part of the Notice.

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, 2025 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. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) of your Company for the financial year 2024-25 forms part of this Annual Report as required under Regulation 24(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure – 11 and Company's weblink - https://www.pelgel.com/brsr.html

18. 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.

19. 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 K.V.C. Reddy & Associates, Company Secretaries, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2025 is annexed herewith as **Annexure-6.** 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 2024-25 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, K.V.C. Reddy & Associates, Company Secretaries, 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).

20. 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- 7** to this Report.

21. 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.

22. Particulars of contracts or arrangements with related parties

All related party transactions entered by the Company during the financial year 2024-25 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 are 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, 2025 in prescribed Form AOC-2 is annexed herewith as **Annexure – 8** to this Report.

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

23. 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.

24. 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.

25. Corporate social responsibility (CSR) activities

A report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report as **Annexure - 9.**

26. Prevention of Sexual Harassment (POSH) Policy

Your Company has formulated an anti harassment policy to ensure safe working environment. The Internal Complaints Committee as provided in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is duly constituted by the Company to redress complaints received regarding sexual harassment. The Company has not received any complaints during the year. The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No.	Particulars	Status of the No. of complaints received and disposed of
1.	Number of complaints of sexual harassment received during the year	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending for more than ninety days	Not Applicable
4.	Number of workshops or awareness programmes against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5.	Nature of action taken by the employer or district officer	Not Applicable

27. Maternity Benefit

The Company is in compliance with the provisions of Maternity Benefit Act, 1961 and no compliant has been received by the Company from any of the employee in this regard during the year under review

28. 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.

29. 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.

30. 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 https://www.pelgel.com/annual_returns.html

31. Other Disclosures

- The Company's equity shares were not suspended from trading during the year under review due to corporate actions or any other reasons.
- There were no revisions to the financial statements and Directors' Report during the year under review.
- Specific details required under Section 134 of the Act and the Rules made thereunder, applicable to the Company, have been provided in this report where applicable.
- There were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

32. 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.

33. 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.

34. 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.

35. 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

	Dr. A.N. Gupta	**T.V. Chowdary**
Secunderabad	Chairman	Managing Director
12.08.2025	DIN:00053985	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 2024–Mar 2025, same as for holding company	Apr 2024–Mar 2025, 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	Reserves and surplus/Otherequity	17.41	(6.83)
7	Total assets	701.52	0.01
8	Total Liabilities	34.11	5.84
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	26.53	(0.91)
12	Provision for taxation	(7.55)	-
13	Profit after taxation	18.98	(0.91)
14	Proposed Dividend	-	-
15	Extent of shareholding	80%	100%

Note:

1. *Names of subsidiaries which are yet to commence operations: PELNEXT Defence Systems Private Limited*
2. *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**
1	Latest audited Balance Sheet Date	-
2	Shares of Associate / Joint Ventures held by the company on the year end	
	Number of equity shares	49,000 shares
	Amount of Investment in Associates / Joint Venture	4.9 lakhs
	Extent of holding	49%
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	-
	ii. Not Considered in Consolidation	-

Note:

1. Names of associates or joint ventures which are yet to commence operations: Global premier Limited (JV)
2. 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, 2025, the Company comprises of Ten Directors, of which Five are Non-Executive Independent Directors (including Independent Woman Director), Three are Non-Executive Non-Independent 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:

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	Non-Independent Executive
3	Mr. Y. Durga Prasad Rao	08072805	Director (Operations)	Non-Independent Executive
4	Dr. (Mrs.) Kailash Gupta	00054045	Director	Promoter, Non-Independent Non Executive
5	Mr. P R Tripathi#	00376429	Director	Independent Director
6	Mr. Anil Kumar Mehta#	00040517	Director	Independent Director
7	Mr. K. Rama Rao#	02678860	Director	Independent Director
8	Dr. A. Venkataraman#	02669952	Director	Independent Director
9	Dr. Narendra Kumar Nanda *	02455894	Director	Independent Director
10	Dr. Gnana Sekaran Venkatasamy *	02012032	Director	Independent Director
11	Mr. Ch Seshagiri Rao *	10595215	Director	Independent Director
12	Dr.(Mrs.) Kumuda Raghavan *	10698094	Director	Independent Director
13	Lt.Gen. P.R.Kumar (Retd)	07352541	Director	Independent Director
14	Mrs. Shonika Prasad	00250015	Director	Promoter, Non Independent Non Executive

Notes:

#Mr. Anil Kumar Mehta, Mr. P R Tripathi, Mr. K. Rama Rao and Dr. A. Venkataraman, Non-Executive Independent Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be

Independent Directors of the Company w.e.f. August 13, 2024

* Dr. Narendra Kumar Nanda, Dr. Gnana Sekaran Venkatasamy, Mr. Ch Seshagiri Rao and Dr. Kumuda Raghavan have been appointed as Non-Executive Independent Directors of the Company w.e.f August 13, 2024.

b. Attendance of Directors at the Board Meetings held during the year ended March 31, 2025 and the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		Attendance at AGM held on September 27, 2024 (Yes/No)
	Held during tenure	Attended	
Dr. A.N.Gupta	7	7	Yes
Mr.T.V.Chowdary	7	7	Yes
Mr. Y. Durga Prasad Rao	7	7	Yes
Dr. (Mrs.) Kailash Gupta	7	6	Yes
Mr. P.R.Tripathi#	3	3	--
Mr. Anil Kumar Mehta #	3	3	--
Mr. K. Rama Rao#	3	3	--
Dr. A. Venkataraman #	3	3	--
Dr. N K Nanda*	4	4	Yes
Dr. V. G. Sekaran*	4	4	Yes
Mr. Ch Seshagiri Rao*	4	4	Yes
Dr. Kumuda Raghavan*	4	4	Yes
Lt.Gen. P.R.Kumar (Retd)	7	7	Yes
Mrs. Shonika Prasad	7	7	Yes

Mr. Anil Kumar Mehta, Mr. P R Tripathi, Mr. K. Rama Rao and Dr. A. Venkataraman, Non-Executive Independent Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f. August 13, 2024

* Dr. Narendra Kumar Nanda, Dr. Gnana Sekaran Venkatasamy, Mr. Ch Seshagiri Rao and Dr. Kumuda Raghavan have been appointed as Non-Executive Independent Directors of the Company w.e.f August 13, 2024.

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 March 31, 2025 and details of directorships in other listed entities are given below.

Name of the Director	In Other Companies$			Name of other listed companies in which Directors of the Company are directors	Category of the directorships in the listed entity
	No. of other Directorships@	Membership	Chairmanship		
Dr. A.N.Gupta	1	1	-	-	N.A.
Mr. T.V.Chowdary	4	1	-	-	N.A.
Mr.Y. Durga Prasad Rao	1	-	-	-	N.A.
Dr. (Mrs.) Kailash Gupta	1	1	-	-	N.A.
Dr. N.K. Nanda	3	2	2	-	N.A.
Dr. V.G. Sekaran	1	1	-	MTAR Technologies Ltd	Independent Director
Mr. Ch. Seshagiri Rao	-	2	-	-	N.A.
Dr. Kumuda Raghavan	-	-	-	-	N.A.
Lt.Gen. P.R.Kumar (Retd)	1	2	1	RKEC Projects Ltd	Independent Director
Mrs. Shonika Prasad	-	-	-	-	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 including Premier Explosives Limited.

d. Particulars of directorships in other companies

Name of the Director	Name of the Company	Position
Dr. A.N.Gupta	PELNEXT Defence Systems Private Limited	Director
Mr.T.V.Chowdary	Premier Wire Products Limited Octane Chemicals Private Limited PELNEXT Defence Systems Private Limited Global Premier Limited	Director
Mr.Y. Durga Prasada Rao	Premier Wire Products Limited	Director
Dr. (Mrs.) Kailash Gupta	Premier Wire Products Limited	Director
Dr. N K Nanda	Odisha Mining Corporation Limited AP Industrial Corridors Infrastructure Development Corporation Limited Minsys Mining Consultancy (OPC) Private Limited	Director
Dr. V. G. Sekaran	MTAR Technologies Limited	Director
Mr. Ch Seshagiri Rao	None	--
Dr.(Mrs.) Kumuda Raghavan	None	--
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects 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 Nomination and Remuneration Committee	None
Mr.T.V.Chowdary	Premier Explosives Limited	CSR committee Stakeholder Relationship Committee	No No
Mr.Y. Durga Prasad Rao	None	None	None
Dr. (Mrs.) Kailash Gupta	Premier Explosives Limited	CSR committee Stakeholder Relationship Committee	No No
Dr. V.G. Sekaran	MTAR Technologies Limited Premier Explosives Ltd	CSR Committee Risk Management Committee Stakeholders Relationship Committee Nomination & Remuneration Committee	No No No Yes
Dr. N.K.Nanda	Odisha Mining Corporation Limited AP Industrial Corridors Infrastructure Development Corporation Limited Premier Explosives Ltd	Audit Committee Nomination & Remuneration Committee Audit Committee	Yes No Yes
Mr. Ch Seshagiri Rao	Premier Explosives Ltd	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee	No No No
Dr. Kumuda Raghavan	Premier Explosives Ltd	CSR Committee	Yes
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited Premier Explosives Ltd	Nomination & Remuneration Committee Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee	No No No Yes
Mrs. Shonika Prasad	None	None	None

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

The Board of Directors met seven (7) times during the Financial Year from 01st April, 2024 to 31st March, 2025. 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:

19th April, 2024; 30th May, 2024; 18th July, 2024; 30th August, 2024; 11th November, 2024; 12th December, 2024 and 12th February, 2025.

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 held by Non-Executive Directors

Name	Category	No. of Equity Shares held as on 31.03.2025
Dr. Amarnath Gupta	Non Executive & Non Independent Director	131,00,915
Dr. (Mrs.) Kailash Gupta	Non Executive & Non Independent Director	58,37,335
Mr. Anil Kumar Mehta#	Non Executive & Independent Director	20,000
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
Dr. Narendra Kumar Nanda*	Non Executive & Independent Director	Nil
Dr. Gnana Sekaran Venkatasamy*	Non Executive & Independent Director	Nil
Mr. Ch. Seshagiri Rao*	Non Executive & Independent Director	Nil
Dr. Kumuda Raghavan*	Non Executive & Independent Director	Nil
Lt.Gen. P.R.Kumar (Retd)	Non Executive & Independent Director	970
Mrs. Shonika Prasad	Non-Executive Non-Independent Director	Nil

Mr. Anil Kumar Mehta, Mr. P R Tripathi, Mr. K. Rama Rao and Dr. A. Venkataraman, Non-Executive Independent Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f. August 13, 2024

* Dr. Narendra Kumar Nanda, Dr. Gnana Sekaran Venkatasamy, Mr. Ch Seshagiri Rao and Dr. Kumuda Raghavan have been appointed as Non-Executive Independent Directors of the Company w.e.f August 13, 2024.

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

In every quarter during the year 2024-25

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 inhealthcare
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	Dr. N.K.Nanda*	Independent Director	Specialises in projects planning, execution and development and has special interes in diversification activities.
10	Dr. V.G. Sekaran*	Independent Directorq	Mechanical Engineering, Specialisation in Aeronautical Engineering, Design and Technology Development of INdigeneous long range Strategic Missile System.
11	Mr. Ch Seshagiri Rao*	Independent Director	Accounting, Audit, Taxation & Finance
12	Dr. Kumuda Raghavan*	Independent Director	Doctor by profession. Promoting community healthcare and philanthropic activities.
13	Lt. Gen P.R. Kumar (Retd.)	Independent Director	Strategy, People Management and General Administration.
14	Mrs. Shonika Prasad	Non-Executive & non-Independent Director	A second generation entrepreneur with Administration and Management skills

Mr. Anil Kumar Mehta, Mr. P R Tripathi, Mr. K. Rama Rao and Dr. A. Venkataraman, Non-Executive Independent Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f. August 13, 2024

* Dr. Narendra Kumar Nanda, Dr. Gnana Sekaran Venkatasamy, Mr. Ch Seshagiri Rao and Dr. Kumuda Raghavan have been appointed as Non-Executive Independent Directors of the Company w.e.f August 13, 2024.

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 defencedepartments, 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 subsdiary, 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. Monitoring the end use of funds raised through public offers and related matters.
2. management discussion and analysis of financial condition and results of operations.
3. management letters/letters of internal control weaknesses issued by the statutory auditors.
4. internal audit reports relating to internal control weaknesses.
5. the appointment, removal and terms of remuneration of the chief internal auditor.
6. the statement of deviations of the following:

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 till August 12, 2024 and thereafter Dr. Narendra Kumar Nanda, Independent Director.

Name of the director	Position
Dr. Narendra Kumar Nanda	Chairman
Mr. Ch. Seshagiri Rao	Member
Lt Gen P R Kumar (Retd.)	Member
Mr. P.R.Tripathi	Chairman
Mr. Anil Kumar Mehta	Member
Mr. K. Rama Rao	Member
Dr. Amarnath Gupta	Member

* Audit Committee was reconstituted with Dr. Narendra Kumar Nanda, Mr. Ch. Seshagiri Rao and Lt Gen PR Kumar (Retd.) and Dr. Amarnath Gupta as its Members w.e.f. August 13, 2024.

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, 2025

During the year, the Committee held six (6) meetings on 19th April, 2024; 30th May, 2024; 18th July, 2024; 30th August, 2024; 11th November, 2024 and 12th February, 2025.

Attendance at the Audit Committee Meetings:

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	3	3
Mr. Anil Kumar Mehta#	Member	3	3
Mr. K. Rama Rao#	Member	3	3
Dr. Amarnath Gupta	Member	6	6
Dr. Narendra Kumar Nanda	Chairman	3	3
Mr. Ch. Seshagiri Rao	Member	3	3
Lt Gen P R Kumar (Retd.)	Member	3	3

The Chairman of the Audit Committee Dr. N.K. Nanda in compliance with the provisions of the Companies Act, 2013, attended the last Annual General Meeting held on September 29, 2024.

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 Independent Directors and one Non-Executive Director. The Committee is headed by Dr. V.G. Sekaran, 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
Dr. V. G. Sekaran	Chairman
Mr. Ch. Seshagiri Rao	Member
Lt Gen P R Kumar (Retd.)	Member

*Nomination and Remuneration Committee was reconstituted with Dr. V. G. Sekaran, Mr. Ch. Seshagiri Rao, Lt Gen PR Kumar (Retd.) and Dr. Amarnath Gupta as its Members w.e.f. August 13, 2024.

c. Committee meetings and attendance during the year

During the year, the Committee held 5 (five) meetings on 30th May, 2024; 18th July, 2024; 30th August, 2024; 11th November, 2024 and 12th February, 2025.

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	2
Dr. Amarnath Gupta	Member	5	5
Dr. V. G. Sekaran	Chairman	3	3
Mr. Ch. Seshagiri Rao	Member	3	3
Lt Gen P R Kumar (Retd.)	Member	3	3

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 12th February, 2025. 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**

a. There were no pecuniary transactions with any Non-Executive Director of the Company.

b. 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 2024-25 are as follows:

S. No.	Name of the Director	Amount of Sitting fees (Rs. in lakhs)
1	Dr. Amarnath Gupta	64.70*
2	Dr. (Mrs.) Kailash Gupta	1.68
3.	Mr. P.R.Tripathi	1.08
4.	Mr. Anil Kumar Mehta	1.08
5.	Mr. K. Rama Rao	1.07
6.	Dr. A. Venkataraman	0.45
7	Dr. N K Nanda	1.20
8	Dr. V.G. Sekaran	1.20
9	Mr. Ch. Seshagiri Rao	1.50
10	Dr.(Mrs.) Kumuda Raghavan	1.00
11	Lt.Gen. P.R.Kumar (Retd)	2.17
12	Mrs. Shonika Prasad	1.12

*Note: Sitting fees includes remuneration and commission Commission @ 1% of Net Profits for the financial year 2024-25.

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, 2025 is as follows:

S. No.	Name of the director	Salary & allowances	Benefits	Commission	Bonus	Pension	Total
Executive directors							
1	Mr. T.V. Chowdary	126.71	24.47	38.13	-	-	189.31
2	Mr. Y. Durga Prasad Rao	59.31	11.53	19.06	-	-	89.90
Total		**186.02**	**36.00**	57.19	-	-	**279.21**

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 b Lt. Gen P R Kumar (Retd.), 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)
Lt. Gen P R Kumar (Retd.)	Chairman (Non-Executive Independent)
Mr. Ch. Seshagiri Rao	Member (Non Executive Independent)

*Stakeholders Relationship Committee was reconstituted with Dr.(Mrs.) Kailash Gupta, Mr. T.V. Chowdary, Mr. Ch. Seshagiri Rao and Lt Gen PR Kumar (Retd.) as its Members w.e.f. August 13, 2024.

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 four (4) 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, 2025.

Brief Description of 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 matters 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, Lt Gen P R Kumar (Retd.) was present at the 44th Annual General Meeting of the Company held on 27th September, 2024.

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 Dr.(Mrs.) Kumuda Raghavan, Independent Woman Director is the Chairperson of the Committee.

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

* Independent Director of the Company has completed his second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Director of the Company w.e.f August 13, 2024.

*The CSR Committee was reconstituted and Dr. (Mrs.) Kumuda Raghavan was appointed as Member w.e.f. August 13, 2024.

b. Committee meetings and attendance during the year

During the year the Committee held one meeting on 30th August, 2024.

Name of the director	Position	No. of meetings held	No. of meetings attended
Dr. (Mrs.) Kumuda Raghavan	Chairperson	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, 2025 is attached as Annexure 9 to the Board's Report.

8. Particulars of Senior Management

Particulars of Senior Management Personnel as per the SEBI (LODR) Regulations, 2015:

S. No.	Name of the Senior Management Personnel	Designation
1	Mr. T.V. Chowdary	Managing Director
2	Mr. Y. Durga Prasad Rao	Director (Operations)
3.	Mr. B.M. Vijay Kumar	Chief Financial Officer
4.	Mrs. K. Jhansi Laxmi	Company Secretary

9. General Body Meetings

a. Details of the last three AGMs are as follows

Year	Date & Time	Venue	Special resolutions passed
44th AGM 2023-24	September 27, 2024 at 11:30 a.m	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director ii) Appointment of Dr. Narendra Kumar Nanda (DIN: 02455894) as an Independent Director of the Company. iii) Appointment of Dr. Gnana Sekaran Venkatasamy (DIN:02012032) as an Independent Director of the Company iv) Appointment of Mr. Ch. Seshagiri Rao (DIN:10595215) as an Independent Director of the Company. v) Appointment of Dr. (Mrs.) Kumuda Raghavan (DIN:10698094) as an Independent Woman Director of the Company.
43rd AGM 2022-23	September 29, 2023 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director
42nd 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

b. Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year 2024-25.

c. Postal Ballot:

During the financial year 2024-25, one postal ballot was conducted by the Company to seek the approval of its members as required under the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014:

At the Postal Ballot voting which commenced on April 26, 2024 and ended on May 25, 2024 and the results were declared by the company on May 27, 2024, the following Ordinary/Special Resolutions were passed.

Resolutions passed through postal ballot on May 25, 2024:

Description	Type of Resolution	No of votes polled	Votes cast in favour	Votes cast against	Invalied/ Abstained votes
Approval for Sub-division/ split of existing 1 (one) Equity Share of face value of Rs.10/- (Rupees Ten Only) each fully paid up into 5 (five) Equity Shares of face value of Rs.2/- (Rupees Two Only) each fully paid up.	Ordinary	5686841	5686809	32	98
Alteration of Capital Clause of Memorandum of Association of the Company.	Ordinary	5686824	5686792	32	115
Approval to raise capital by way of public or private offerings including through a qualified institutions placements to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding Rs.400 crore.	Special	5686834	5686774	60	105

Mr. K.V. Chalama Reddy, Company Secretary in practice was appointed as scrutinizer for the above postal ballot.

Result of voting: The Ordinary/Special Resolutions have been duly approved by the shareholders with requisite majority.

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 a resolution through postal ballot.

10. Procedure for postal ballot

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and applicable regulations

11. 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.

12. General shareholder information

a. 45th AGM, date, time and Venue/Mode — Tuesday, the 30th September 2025 at 11.00 a.m.

Mode: audio-visual means

b. Financial year: April 1, 2025 to March 31, 2026 Tentative schedule for considering financial results:

For the quarter ended June 30, 2025:	12th August, 2025
For the quarter ending September 30, 2025:	October/November, 2025
For the quarter ending December 31, 2025:	January/February, 2026
For the quarter / year ending March 31, 2026:	April/May, 2026

Book Closure dates

The dates for book closure are from 24th September, 2025 to 30th September, 2025 (both days inclusive)

Record Date: September 23, 2025.

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,	526247
Dalal street, Mumbai-400001	
National Stock Exchange of India Limited	
Exchange Plaza, Floor 5, Plot No. C/1,	PREMEXPLN
Bandra Kurla Complex, Bandra (East),	EQ
Mumbai-400051	

The Company has paid till date listing fee of both the above Stock Exchanges.

e. Stock Market price Data - High / Low during each month during the year 2024-25 Monthly high and low quotations on the BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE)

	BSE		NSE	
Month/Year	High	Low	High	Low
April 24	2789.00	1499.30	2780.00	1501.00
May 24	2690.25	2135.30	2682.00	2138.40
June 24	4243.85	749.10	4240.00	746.20
July 24	778.00	590.00	785.00	585.00
August 24	676.25	536.00	675.90	535.00
September 24	590.00	522.70	590.00	521.55
October 24	549.00	406.20	549.45	406.25
November 24	520.00	405.50	511.55	402.25
December 24	607.75	454.25	604.90	454.00
January 25	561.15	390.20	562.00	390.00
February 25	481.15	330.45	479.70	331.00
March 25	397.00	310.00	398.90	309.15

Note: Pursuant to the approval of the shareholders of the company through postal ballot, one equity share of Rs. 10 /- each fully paid up was subdivided/split into five equity share of Rs. 2/- each with effect from June 21, 2024.

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

g. Registrar and Share Transfer Agents

M/s. KFin Technologies 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 Building,,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

h. Share transfer system

In terms of regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. They are processed and the share certificates/ Letter of Confirmation 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 holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfer of equity shares in electronic form is effected through the depositories with no involvement of the Company.

i. 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 may get in touch with KFin Technologies Limited, Registrar and Share Transfer Agent for further information.

j. Distribution of shareholding as on 31.03.2025

S. No	Category of Shares	No of Shareholders	% to no.of share holders	No of Equityshares held (Value in Rs,)	% of Shareeholding
1	1 –5000	83080	98.96	2,11,30,858	19.65
2	5001 – 10000	451	0.54	33,87,804	3.15
3	10001 – 20000	205	0.24	30,64,180	2.85
4	20001 – 30000	69	0.08	17,73,406	1.65
5	30001 – 40000	23	0.03	8,23,880	0.77
6	40001 – 50000	16	0.02	7,25,534	0.67
7	50001 – 100000	45	0.05	32,23,702	3.00
8	100001 &Above	62	0.07	7,33,93,026	68.26
	Total	**83951**	**100.00**	**10,75,22,390**	**100.00**

Shareholding pattern as on March 31, 2025

Category	No of shares	% of shareholding
Promoters	2,22,21,735	41.33
Mutual Funds	43,19,389	8.03
Foreign Portfolio Investors	3,89,158	0.72
Directors & their relatives	2,61,195	0.49
Key Managerial Personnel	520	0.00
Resident Individuals	1,89,74,194	35.33
Non Resident Indians	15,14,835	2.82
Alternative Investment Fund	500	0.00
Bodies Corporate	47,95,403	8.88
IEPF Authority	5,09,015	0.95
HUF	7,75,186	1.44
Trusts	65	0.00
Total	**53761195**	**100.00**

k. 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 INE863B01029. Equity shares of the Company representing 99.31 % of the Company's equity share capital are dematerialized as on 31st March, 2025, 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.

Shares held in demat and physical mode as on March 31, 2025 are as follows:

Mode of holding	No. of shares	% to Equity
Physical	3,70,115	00.69
Electronic - NSDL	3,74,28,542	69.62
- CDSL	1,59,62,538	29.69
Total	5,37,61,195	100.00

l. 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.

m. 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.

n. Plant locations

Plant	Location
Detonators, Detonating fuse, Packaged explosives, Research centre for defence products, Solid propellants, explosives accessories	Peddakandukuru Village, Yadagirigutta Mandal, Yadardri 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

o. Address for correspondence
PREMIER EXPLOSIVES LIMITED,
'Premier House', 11, Ishaq Colony,
Near AOC Centre, Secunderabad-500015, Telangana Ph: 040-66146801-03, Fax: 040-27843431
E-mail: investors@pelgel.com Website: www.pelgel.com

p. Credit ratings

ICRA Limited has reaffirmed 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 July, 2026.

13. 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 2024-25 have been at Arm's length basis and reported in Form AoC-2 attached as Annexure -8 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. Disclosure of Non-Compliances

Stock Exchanges have imposed fine on the Company for delayed taking of approval from the Members of the Company for appointment of Non-Executive Director, as required under Regulation 17(1A) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2025

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, 2025.

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 - 5.

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, 2025 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 (Rs. in lakhs)
1	Statutory audit fees paid	9.35
2	Fee paid for quarterly reviews	8.25
3	Fee paid for certifications	2.95
4	Fee paid for GST Matters	3.00
5	Reimbursement of expenses	1.57
	Total fees paid	**25.12**

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

i. Number of complaints filed during the financial year : Nil

ii. Number of complaints disposed off during the financial year: Nil

iii. Num of complaints pending as on end of the financial year: Nil

l. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the year under review, the listed entity and its subsidiaries have not given Loans and advances in the nature of loans to firms/ companies in which directors are interested

m. 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.

n. The Company has complied with the following discretionary requirements specified in Part E of Schedule II of Regulation 27(1):

A. Board: The Company has Non-Executive Chairperson, Separate persons were appointed for the post of Chairman and Managing Director.

B. Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.

o. The disclosures of compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to

(i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee (Not applicable for the financial year 2024-25)	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit & Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

14. 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

15. 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.

16. CEO and CFO certification

The 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 as Annexure-4.

17. 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 an amount of Rs.5,07,522/- being unclaimed/unpaid dividend relating to the financial year 2016-17 into Investor Education and Protection Fund Authority Account during the financial year ended March 31, 2025.

II. A compliance certificate from the Auditors regarding compliance with conditions of Corporate Governance is annexed with the Directors' report.

III. Disclosure of certain types of Agreements binding the Company.

1. There were no such agreements as mentioned in Clause 5A of Paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 required to be disclosed.

IV. 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.

For and on behalf of the Board

	Dr. A.N. Gupta	**T.V. Chowdary**
Secunderabad	Chairman	Managing Director
12.08.2025	DIN:00053985	DIN: 00054220

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, 2025.

For Premier Explosives Limited

T V Chowdary
Managing Director
DIN: 00054220

Secunderabad
12.08.2025

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 September 27, 2024
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, 2025, 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, 2025.
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.

For MAJETI & CO
Chartered Accountants
Firm Registration Number: 015975S

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN No: 25220354BMOFZE4374

Place: Hyderabad
Date: August 12, 2025

Annexure-4

CEO and CFO Certification

To the Board of Directors of Premier Explosives Limited

We, T.V. Chowdary, Managing Director and Mr. B.M. Vijay Kumar, 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, 2025 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, 2025 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
12.08.2025

T.V Chowdary
Managing Director
DIN: 00054220

B.M. Vijay Kumar
Chief Financial Officer

Annexure-5

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.ChalamaReddy Proprietor of K V C Reddy&Associates , Company Secretaries, 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, 2025.

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, 2025:

Sl.No.	DIN	Name of the director	Designation
1	00053985	Dr. Amar Nath Gupta	Non-ExecutiveChairman
2	00054220	Mr. Tripuraneni Venkaiah Chowdary	Managing Director
3	08072805	Mr. Durga Prasad RaoYachamaneni	Whole time Director (Director-Operations)
4	00054045	Dr. (Mrs.) Kailash Gupta	Non-Independent andNon-Executive Director
5	02455894	Dr. Narendra Kumar Nanda	Independent Director
6	02012032	Dr. Gnana Sekaran Venkatasamy	Independent Director
7	00376429	Mr. CH. Seshagiri Rao	Independent Director
8	10698094	Dr. (Mrs.) Kumuda Raghavan	Independent Director
9	07352541	Lt.Gen. Peruvemba Ramachandran Kumar	Independent Director
10	00250015	Mrs.Shonika Prasad	Non-Independent and Non-Executive Director

For K V C REDDY & ASSOCIATES
Company secretaries
K.V. Chalama Reddy
(Proprietor)
M. No.: F9268, C.P.No.:5451
Peer Review No: 2301/2022
UDIN: F009268G000965146

Place: Hyderabad
Date:12.08.2025

Annexure-6

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2025
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, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliancemechanism 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, 2025 ("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 and Sweat Equity) Regulations, 2021;***Not applicable during the audit period***

        e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.:***Not applicable during the audit period***

        f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;***Not applicable during the audit period***

        g. 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***

        h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not** ***applicable during the audit period*** *and*

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

        j. The Securities and Exchange Board of India (Depositories and participant) Regulations, 2018:

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 thereunder.

I have also examined compliance of Secretarial Standards issued by the institute of Company Secretaries of India in respect of board andgeneral 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 expect as stated below:

BSE Limited and National Stock Exchange of India had issued notices imposing a fine of Rs. 1,06,200/- (including GST @ 18%) each, on the Company with respect to delayed compliance of Reg. 17(1A) of the SEBI (LODR) Regulations, 2015 in respect of appointment of a director who attained the age of 75 years in obtaining the members' approval as per the said regulation.

However, the Management informed that the Company in its reply dated March 29, 2025 clarified all the facts with the provisions on the notice and also made an application to the stock exchanges to waive off the fines and the same is pending with the Stock Exchange.

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.The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance withthe provisions of the Act and the SEBI (LODR) Regulations, 2015.

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.

For **K V C REDDY & ASSOCIATES**
Company secretaries

K.V. Chalama Reddy
(Proprietor)
F.C.S: 9268, C P No.: 5451
P R No.: 2301/2022
UDIN Number:F009268G000964849

Place: Hyderabad
Date :12/08/2025

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.

ANNEXURE A'

To,
The Members
M/s. Premier Explosives Limited

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.

For **K V C REDDY & ASSOCIATES**
Company secretaries

K.V. Chalama Reddy
(Proprietor)
F.C.S: 9268, C P No.: 5451
P R No.: 2301/2022
UDIN Number:F009268G000964849

Place: Hyderabad
Date :12/08/2025

Annexure-7

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')**			The operations of the company is not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.	
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)	**2024-25**	**2023-24**
		Capital		**0.00**	0.00
		Recurring		**43.86**	39.25
		Total		**43.86**	**39.25**
		R & D expenditure as % of total revenue		**0.11%**	0.14%
	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**			**2024-25**	2023.24
	Earnings			**7848.01**	6978.77
	Outgo			**14932.95**	2720.46

For and on behalf of the Board

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

Secunderabad
Date: 12.08.2025

Annexure-8

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 2024 - March 2025
	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	30.05.2024
	f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

Secunderabad
Date: 12.08.2025

Annexure-9

Annual Report on CSR Activities for Financial Year 2024-25

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 Polciy. The members of the CSR committee as on March 31, 2025 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	Dr.(Mrs.) Kumuda Raghavan*	Chairperson 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

*CSR Committee was reconstituted with Dr.(Mrs.) Kumuda Raghavan, Dr.(Mrs.) Kailash Gupta and Mr. T.V. Chowdary as its members w.e.f. August 13, 2025

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:

S.No	Financial Year	Amount Available for set-off from preceding financial years (₹ In Lakhs)	Amount required to be set off for the financial year, if any (in ₹ Lakhs)
1	FY-1 (31-03-2024)	0.64	0.00
2	FY-2 (31-03-2023)	8.87	0.00
3	FY-3 (31-03-2022)	0.00	0.00
	Total	**9.51**	

6. Average net profit of the company for last three financial years as per section 135(5): ₹ 1903.02 lakhs

7. a. Two percent of average net profit of the company as per section 135(5): ₹ 38.06 lakhs

b. Surplus arising out the CSR projects or programmes or activities of the previous financial year: ₹ 9.51 lakhs

c. Amount required to be set off for the financial year, if any: (₹ 9.51 lakhs)

d. Total CSR obligation for the financial year (7a+7b+7c): ₹ 38.06 lakhs

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

Total Amount spent for the Financial Year (Rs. In lakhs)	Amount unspent (in Rs.)	
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
29.74	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	
S. 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 (in months)	Amount allocated for the Project (in Rs. Lakhs)	Amount spent in the reporting Financial Year (in Rs. Lakhs)	Mode of Imple-mentation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District					CSR Registration No.	Name
1	Healthcare	Promoting Healthcare	Yes	Telangana	Bhuvangiri Yadadri District	12	11.40	11.40	No	CSR 00058751	Cheyutha for wellbeing Foundation
2	Education	Promoting Education	Yes	Telangana	Bhuvangiri Yadadri District	12	15.34	15.34	Nil	--	Directly by the company
3	Benefit of Armed forces	For the benefit of Armed forces	Yes	Telangana	Bhuvangiri Yadadri District	12	0.50	0.50	Nil	--	Directly by the Company
4	Environment Sustainability	Environment Sustainability	Yes	Telangana	Bhuvangiri Yadadri District	12	2.50	2.50	Nil	CSR 00058751	Cheyutha for wellbeing Foundation

(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): ₹ 39.25 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)	38.06
2	Total amount spent for the Financial Year	39.25
3	Excess amount spent for the financial year [(ii)-(i)]	1.19
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)]	1.19

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.

Dr. (Mrs.) Kumada Raghavan
Independent Director
Chairman of CSR Committee
DIN: 000376429

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

Place: Secunderabad
Date: 12.08.2025

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. No.	Name	Designation	Amount of remuneration paid for the year (₹ Lakhs)		Increase / (decrease) (₹ Lakhs)	Increase / (decrease) %	Ratio to median remuneration of employees
			2024-25	2023-24			
1	Dr.ANGUPTA*	Chairman	62.12	65.30	-	-	1.50
2	TVCHOWDARY*	ManagingDirector	189.31	164.28	28.20	22.93	4.62
3	YDURGAPRASADARAO*	Director-(Operations)	89.90	79.78	11.69	19.76	2.20
4	B M VIJAY KUMAR**	ChiefFinancialOfficer(KMP)	27.33	-	--	N.A**	0.66
5	SRIHARI PAKALAPATI**	ChiefFinancialOfficer(KMP)	28.36	32.17	--	N.A**	0.69
6	KJHANSILAKSHMI	CompanySecretary(KMP)	18.96	15.61	3.35	21.46	0.46

*Remuneration includes Commission also.

**Mr.Srihari Pakalapati resigned from the position of Chief Financial Officer and Key Managerial Personnel (KMP) of the Company w.e.f. September 30, 2024 and Mr. B.M. Vijay Kumar was appointed as Chief Financial Officer and KMP w.e.f November 11, 2024 and hence not applicable.

1. Median remuneration of the employees was ₹ 4.95 lakhs during the 2024-25 and ₹ 4.55 lakhs during 2023-24.
2. Median remuneration of employees during 2024-25 has remained static compared to the amount during 2023-24.
3. Number of permanent employees on the rolls of the company as on 31.03.2025 was 838 (841 as on 31.03.2024).
4. Remuneration has been paid as per remuneration policy.

B. InformationasperRule5(2)oftheCompanies(AppointmentandRemunerationofManagerialPersonnel)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 perannumor`8.50lakhspermonthduringtheyear2024-25

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 perannumor ₹8.50 lakhs per month during the year 2024-25

Sl	Employee name	Designation	Remune-ration (₹ in Lakhs)	Nature of employment – Contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last employment held before joining the Company and designation	No. and % of equity shares held at year-end	Relationship to any other director
1	A.N. Gupta	Chairman	62.12	Contractual	M.Sc., D.Sc., 14-Feb-80, 56 years 14-Apr-45 79 years	I.E.L. Limited, Area Sales Manager	131,00,915 24.3%	Dr.(Mrs.) Kailash Gupta is his wife & Mrs. Shonika Prasad is his daughter
2	T.V.Chowdary	Managing Director	189.31	Contractual	B.Sc., B.Tech. (Petroleum), 24-May-89, 41 years 16-Aug-57 67 years	STP Limited, Production Manager	1,57,290 0.29%	None

Sl	Employee name	Designation	Remune-ration (₹ in Lakhs)	Nature of employment – Contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last employment held before joining the Company and designation	No. and % of equity shares held at year-end	Relationship to any other director
3	Y.Durga Prasada Rao	Director (Operations)	89.90	Contractual	B.E. Mechanical, 01-Jul-89, 38 years, 20-May-63 61 years	Rohini Refractories Ltd Mechanical Engineer	385 0.00%	None
4	B M Vijay Kumar	Chief Financial Officer (w.e.f. 11/11/2024)	27.33	Permanent	F.C.A., F.C.S., F.C.M.A., LLB 18-Oct-2024, 31-Aug-64 61 years	Suryalakshmi Cotton Mills Ltd., Chief Financial Officer	-	None
5	Srihari Pakalapati	Chief Financial Officer (upto 30/09/2024)	28.36	Permanent	FCA, 24-May-21, 26 years, 12-Aug-71 53 years	Asian Group (Entertainment and Construction) , Chief Financial Officer	-	None
6	Indraneel deb	Vice President (Defence Operations)	39.50	Permanent	M.Tech (Aerospace), Armed Force Programme (IIIM), 02-Feb-16 36 years 06-Sep-69 54 years	Reliance Defence & Engineering Ltd, DGM (Guns & Missiles)	-	None
7	Gangraj Tadinada	Vice President (Marketing)	43.65	Permanent	B.Sc. & MBA (Mktg), 19-Feb-20, 29 years, 16-Nov-70 53 years	DCW Limited, General Manager (Marketing)	25 0.00%	None
8	S.Janardhan	Vice President	29.50	Permanent	B.Tech & MBA (HR), 27-Feb95, 28 years 03-Jul-68, 54 years,		-	None
9	T.Raghuveer	General Manager	20.16	Contractual	B.Sc., Safety PG Diploma, 01-04-84 41 years 08-May-63 62 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.

Annexure-11

Business Responsibility & Sustainability Report

Section A) General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L24110TG1980PLC002633
2. Name of the Listed Entity: Premier Explosives Limited
3. Year of incorporation: 14/02/1980
4. Registered office addr/ess: 'Premier House', 11 Ishaq Colony, Near AOC Center, Secunderabad -500 015
5. Corporate address: "Premier House",#11, Ishaq Colony, Near AOC Center, Secunderabad - 500 015 (TS) India.
6. E-mail: investors@pelgel.com
7. Telephone: 040-66146801 to 03
8. Website: www.pelgel.com
9. Financial year for which reporting is being done: 2024-25
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited & National Stock Exchange of India Limited
11. Paid-up Capital: Rs. 10,75,22,390/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Mrs. K. Jhansi Laxmi, Company Secretary; 040-66146801; investors@pelgel.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): On Standalone basis
14. Name of the assurance provider : NA
15. Type of assurance obtained: NA

II. Product & Services

16. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Manufacturing	High Energy Materials and O&M Services for defense space and mining sectors	100

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Defence and Space	20292	80.79
2	Bulk Explosives	20292	19.21

III. Operations

18. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	6	1	7
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity ? 18.80%

c. A brief on types of customers

Defence and Space Public Sector Units, Mining Companies, Cement Companies

IV. Employees

20. Details at the end of Financial Year

a. Employees and workers (including differently abled):

SL No.	Particulars	Total	Male		Female	
		(A)	No.(B)	%(B/A)	No.(C)	%(C/A)
Employees						
1	Permanent(D)	**231**	**214**	**92.6**	**17**	**7.4**
2	Other than permanent(E)	--	--	--	--	--
3	Total Employees (D+E)	**231**	**214**	**92.6**	**17**	**7.4**
Workers						
4	Permanent(F)	607	556	91.5	51	8.5
5	Other than permanent(G)	606	585	96.5	21	3.5
6	Total Employees(F+G)	1213	1141	94.0	72	6.0

Instruction /Guidance

1. The entity shall disclose the total number of employees and workers, along-with the associated break-up by gender (male / female) and into permanent / other than permanent.

2. The term "Employee" is defined under Sec 2(l) of the Industrial Relations Code, 2020 and means, any person (other than an apprentice engaged under the Apprentices Act, 1961), employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union. Ref- http://egazette.nic.in/WriteReadData/2020/222118.pdf

3. The term "Worker" is defined under Sec 2(zr) of the Industrial Relations Code, 2020 and means any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976, and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person -—

   (i) who is subject to the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950), or the Navy Act, 1957 (62 of 1957); or

   (ii) who is employed in the police service or as an officer or other employee of a prison; or

   (iii) who is employed mainly in a managerial or administrative capacity; or

   (iv) who is employed in a supervisory capacity drawing wages exceeding eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time.

   Ref.- http://egazette.nic.in/WriteReadData/2020/222118.pdf

4. The term "permanent employee or "permanent worker" refers to an employee or worker, employed for full-time or part-time work, for an indeterminate period. The term "other than permanent employee" or "other than permanent worker" refers to employees or workers who are employed for a fixed term that ends when a specific time period expires, or on completion of a specific task or an event such as the end of a project or return of a replaced employee. "Other than permanent" employees or workers could be employed directly by the entity or through third party contractors.

5. Differently abled employees / workers may be identified on the basis of the definition of "persons with disabilities" in The Rights of Persons with Disabilities Act, 2016 and rules made thereunder.

6. The entity should provide details as at the end of the reporting period; however, in case there is any significant change in number of employees / workers from the beginning to the end of the reporting period, the reasons for the same should be indicated.

20.b Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent(D)	-	-	-	-	-
2	Other than permanent(E)	-	-	-	-	-
3	Total Employees(D+E)	-	-	-	-	-
Differently Abled Workers						
4	Permanent(F)	-	-	-	-	-
5	Other than permanent(G)	-	-	-	-	-
6	Total Employees(F+G)	-	-	-	-	-

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of directors	10	3	30%
Key Management Personnel*	3	1	33%

*Total KMP includes Managing Director

Instruction/Guidance

1. Board of Directors or Board as defined under Sec 2(10) of the Companies Act 2013, in relation to a company, means the collective body of the directors of the company.

2. Key Management Personnel as defined under Sec 2(51) of the Companies Act 2013, in relation to a company, means—

   (i) the Chief Executive Officer or the managing director or the manager;

   (ii) the company secretary;

   (iii) the whole-time director;

   (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover Rate in current FY)			FY 2023-24 (Turnover Rate in previous FY)			FY 2022-23 (Turnover Rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.41	0.65	6.06	4.80	0.78	5.58	4.04	0.46	4.5
Permanent Workers	-	-	-	-	-	-	-	-	-

Instruction/Guidance

1. Under this field, the entity shall disclose turnover rates for the specified categories.
2. The entity shall calculate the turnover rate for a financial year, for a particular category, based on the following formula:

   *(No. of persons who have left the employment of the entity in the FY *100) / Average no. of persons employed in the category*
3. Average number of persons employed in a category shall be calculated as (Persons employed in the category at the beginning of FY + Persons employed in the category at the end of FY) / 2.

   Further, persons leaving the employment of the entity shall include those who leave the entity voluntarily or due to dismissal, termination, retirement or death in service.

   b. What is the contribution of exports as a percentage of the total turnover of the entity ?

      18.80%

   c. A brief on types of customers

      Defence& Aerospace PSUs, Mining and Cement Companies

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whetherholding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Premier Wire Products Limited	Subsidiary	80%	No
2	PELNEXT Defense Systems Private Limited	Subsidiary	100%	No
3	Global Premier Limited	Joint Venture	49%	No

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in Rs.) ₹ 41,745.23 Lakhs

(iii) Net worth (in Rs.)₹24,575.11 lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current financial year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (Other than Shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	4	0	-	1	0	-
Employees & Workers	Yes	Nil	Nil	-	Nil	Nil	-
Customers	Yes	0	0	--	0	0	-
Value Chain Partners	No	-	-	--	-	-	-
Other (Please specify)	-	-	-	-	-	-	-

*Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom compliant is received	Web link for grievance policy
Communities	https://www.pelgel.com/contact-us.html
Investors (other than shareholders)	https://scores.sebi.gov.in/
Shareholders	https://www.pelgel.com/investor_grivances.html
Employees and workers	As and when required through emails, Notice Board
Customers	Emails as and when required and also https://www.pelgel.com/defence-products.html

Instruction Guidance

1. Stakeholders are individuals or groups concerned or interested with or impacted by the activities of the businesses and vice-versa, now or in the future. Typically, stakeholders of a business include, but are not limited to, its investors, shareholders, employees and workers (and their families), customers, communities, value chain members and other business partners, regulators, civil society actors, and media.

2. Grievance Redressal Mechanism refers to a mechanism for any stakeholder individually or collectively to raise and resolve reasonable concerns affecting them without impeding access to other judicial or administrative remedies. The mechanism should be:

   - Transparent and unbiased governance structures
   - Accessible
   - Based on dialogue and mediation.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No.	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial Implication
1	Regulatory and environmental compliance	R	Operations involve hazardous materials, subject to strict environmental and safety norms	Adopt best-in-class safety protocols, conduct regular audits, train personnel, invest in pollution control	Negative: potential penalties, disruption, and compliance costs
2	Raw material cost volatility and supply chain stability	R	Dependency on specific raw materials makes operations sensitive to input availability and price changes	Secure diversified sourcing, build long-term supplier partnerships, maintain adequate inventories	Negative: impact on cost structure and margins
3	Competitive intensity in commercial explosives	R	Industrial explosives are a price-sensitive and tender-driven segment with many players	Focus on innovation, strengthen customer relationships, offer differentiated products like advanced detonators	Negative: pricing pressure may erode margins
5	Expansion into defence and space segments	O	The company has capabilities in propellants and ignition systems, aligning with growing demand in strategic sectors	Scale manufacturing facilities, pursue collaborations, invest in R&D, align with national self-reliance policies	Positive: access to high-value segments and improved brand equity
6	Growth in infrastructure and mining sectors	O	Demand for explosives is driven by activity in infrastructure, construction, and mining sectors	Enhance production readiness, deepen presence across regions, develop relationships with large mining clients	Positive: higher demand and economies of scale
7	Safety and social license to operate	R	Handling of explosive materials poses inherent safety risks, which can affect community trust and operational continuity	Maintain a strong safety culture, engage proactively with local communities, transparently report incidents	Negative: any lapse could lead to reputational damage and operational constraints
8	Indigenous product development and innovation	O	Indigenous technologies can reduce import dependence and open up new market opportunities	Leverage internal R&D strengths, collaborate with research institutions, align with national defence objectives	Positive: greater market relevance and value addition
10	Human capital and technical expertise	R	The industry demands high technical competence, and talent retention is a challenge	Strengthen internal training, create a pipeline of skilled professionals, build partnerships with technical institutions	Negative: shortage of skilled workforce can hinder project execution and compliance standards

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	N	Y	N	N	Y	N
b. Has the policy been approved by the Board? (Yes/No)	Y	NA	Y	NA	Y	NA	NA	Y	NA
c. Web Link of the Policies, if available	https://www.pelgel.com/codconcsr.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	NA	Y	NA	Y	NA	NA	Y	NA
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	NA	N	NA	N	NA	NA	N	NA
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. ISO 9001:2015 2. AS9100D 3. NABL 4. CE Marking								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are committed to transparently reporting our business responsibility, addressing risk & opportunities. Our targets & achievements reflect our dedication to environmental, social and governance factors. We assure our stakeholders that we will continuously improve and strive for sustainable growth and positive impact on society and environment.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	T V Chowdary Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes Mr. T.V. Chowdary Managing Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	N	Y	N	Y	N	N	Y	N	The reviews are conducted on an on-demand basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	We comply with all statutory requirements									The reviews are conducted on an on-demand basis.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Nil									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C) PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	7	At each meeting of the Board and other committees, members and KMPs also deliberate on the key integrity matters that help to reflect focus on key strategies. Compliance (SEBI, ROC, Industry overview, Corporate Governance, Knowledge enhancement)	100%
Key Managerial Personnel	7		
Employees other than BoD and KMPs	15	Skill Development, general safety, personal effectiveness	50%
Workers	12	Works related information, ISO, safety.	25.58%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	Imposition of Fine	BSE & NSE	90,000 + GST by BSE & 90,000 + GST by NSE	For delayed compliance of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Yes, Waiver application has been filed with NSE & BSE
Settlement	--	--	--	--	--
Compounding Fee	--	--	--	--	--

B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	--	--	--	--
Punishment	--	--	--	--

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
Not Applicable	--

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy.

   Nil

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

Particulars	FY 2024-25 (Current financial year)		FY 2023-24 (Previous financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Nil/NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial Year)
Number of days of accounts payables	134	44

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics		FY 2024-25 (Current financial year)	FY 2023-24 (Previous financial Year)
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	6.81	15.4
	b.	Number of trading houses where purchases are made from	70	118
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses.	5.61	11.78
Concentration of Sales	a.	Sales to dealers /distributors as % of total sales	Nil	
	b.	Number of dealers/ distributors to whom sales are made	Nil	
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	Nil	
Share of RPTS in	a.	Purchases (purchases with related parties/Total purchases)	-	-
	b.	Sales (Sales to related parties/Total Sales)	-	-
	c.	Loans and advances(Loans and advances given to related parties/Total loans and advances)	3,00,000	3,00,000
	d.	Investments (Investments in related parties/ Total investments made)	521,00,000	521,00,000

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.11	0.14	-
Capex	Nil	Nil	-

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures. Nil

2. Sustainable Sourcing

   a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) No

   b. If yes, what percentage of inputs were sourced sustainably? NA

   Instruction /Guidance

   1. "Sustainable Sourcing" essentially refers the integration of social, ethical and environmental performance factors into the process of selecting suppliers.

   2. Under this field, the entity shall indicate what proportion of its inputs (by quantity or value – please specify) are sourced from suppliers who are either covered by the company's sustainable sourcing programs and/or are certified to be compliant with social and environmental standards such as SA 8000, ISO 14001, OHSAS 18001 or relevant labels like Rainforest Alliance, Rugmark, RSPO etc.

3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for

   a. Plastics (Including Packaging) : There is no plastic waste.

   b. E-Waste : The E-waste will be disposed by sending to TGPCB authorized recyclers.

   c. Hazardous waste : Regarding hazardous waste management, we generate two types: Solid and Liquid. For the disposal of solid hazardous waste, Premier Explosives has an agreement with the Hyderabad Waste Management Project in Dundigal, Medchal-Malkajgiri District. For liquid effluent, we have an agreement with the MANA Effluent Treatment Plant in Mallapur, Hyderabad

   d. other waste: As a manufacturer of explosives, we are unable to send any explosive-contaminated material or residual explosives to third parties due to their inherent explosive nature. Therefore, such materials are disposed of within our factory premises at designated locations, in accordance with the Explosive Rules 2008.

   Instruction /Guidance

   1. Reclaiming refers to collecting products and their packaging materials at the end of their useful lives, for reusing, or recycling or safe disposal. Reclaimed items can include products and their packaging materials that are collected by or on behalf of the organization, by a third-party contractor.
   2. Preparation for re-use means checking, cleaning, or repairing operations, by which products or components of products are prepared to be put to use for the same purpose for which they were conceived.
   3. Recycling refers to reprocessing of products or components of products, to make new materials.
   4. Disposal refers to any operation which is not recovery. Further, safe disposal excludes uncontrolled waste disposal such as open burning and dumping.

4. Extended Producer Responsibility (EPR)

   Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

   There is no plastic waste generation in both the manufacturing units

   Instruction /Guidance

   "Extended Producer Responsibility" means the responsibility of a producer for the environmentally sound management of the product until the end of its life. The Uniform Framework for Extended Producers Responsibility issued by the Ministry of Environment, Forest and Climate Change places responsibility on producers, importers and brand owners to establish a system for collecting back the plastic waste generated due to their products and submit a plan for such collection with the relevant Pollution Control Board(s) (details available at http://moef.gov.in/guideline-document-uniform-framework-for-extended-producers-responsibility-under-plastic-waste-management-rules-2016)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees

Category	Total A	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	214	172	80.37	214	100	Nil	Nil	Nil	Nil	NA	NA
Female	17	15	88.24	17	100	Nil	Nil	Nil	Nil	NA	NA
Total	231	187	81.0	231	100	Nil	Nil	Nil	Nil	NA	NA
Other than Permanent Employees											
Male	Nil	Nil									
Female	Nil	Nil									
Total	Nil	Nil									

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

b. Details of measures for the well-being of Workers

Category	Total A	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Workers											
Male	556	486	87.41	556	100						
Female	51	41	80.39	51	100						
Total	607	527	86.82	607	100						
Other than Permanent Workers – covered under ESI											
Male	Nil	Nil									
Female	Nil	Nil									
Total	Nil	Nil									

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.70%	0.85%

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	24.82	71.72	Yes	25.32	72.41	Yes
Gratuity	28.30	71.69	Yes	24.11	75.89	Yes
ESI	2.86	17.30	Yes	19.62	19.62	Yes
Others – specify	3.46			2.26		

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Instruction /Guidance:

Accessibility refers to physical accessibility such as wheelchair ramps, braille signage and accessible restrooms, and digital accessibility, where information and communication technology is accessible to all and/or compatible with assistive technology devices.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. No, however, we are dedicated to fostering a diverse and inclusive workplace where all individuals are valued and treated with respect.

5. Return to work and Retention rates of permanent employees and workers that took parental leave. Not Applicable

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

Instruction Guidance:

1. Parental leave refers to maternity and paternity leave.
2. The entity shall use the following formulas to calculate return to work rate, for each category of employee (male / female / others):

   (Total number of employees that did return to work after parental leave in the reporting period * 100)/ (Total number of employees due to return to work after taking parental leave in the reporting period) = **Return to work rate**
3. Retention rate determines who returned to work after parental leave ended and were still employed 12 months later. It shall be calculated using the following formula:

   (Total number of employees retained 12 months after returning to work following a period of parental leave * 100)/ (Total number of employees returning from parental leave in the prior reporting period)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes, as per I D Act
Other than Permanent Workers	Yes, as per ID Act
Permanent Employees	Yes, as per ID Act
Other than permanent Employees	Yes, as per ID Act

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25 Current financial Year			FY 2023-24 Previous Financial Year		
	Total employees /workers in respective category (A)	Total employees/workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees – Not Applicable						
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-
Total Permanent Workers – 607						
Male	556	556	100%	556	556	100%
Female	51	51	100 %	51	51	100%

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY 2024-25 Current financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	On health and safety Measures		On skill upgradation		Total	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)	(D)	No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	214	158	73.8	-	-	214	136	63.5	-	-
Female	17	15	88.2	-	-	17	15	88.2	-	-
Total	231	171	74.0	-	-	231	151	65.36	-	-
Workers										
Male	556	399	71.76	-	-	556	350	62.9	-	-
Female	51	39	76.47	-	-	51	20	39.2	-	-
Total	607	438	72.15	-	-	607	370	60.9	-	-

Instruction Guidance:

1. Training on health and safety can include general training on health and safety as well as training on specific work-related hazards, hazardous activities, or hazardous situations. It can also include training on mental health.
2. Training programs on skill upgradation can include both internal training courses and funding support for external training or education.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2024-25 Current financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	231	214	92.6	231	214	92.6
Female		17	7.4		17	7.4
Total		231	100	231	231	100
Workers						
Male		556	91.5		556	91.5
Female		51	8.5		51	8.5
Total	607	607	100	607	607	100

Instruction Guidance:

Regular performance and career development review refers to review based on criteria known to the employee / worker and his or her superior. Such a review is undertaken with the knowledge of the employee.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? ***(Yes/No).*** If yes, the coverage such system? **No**

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? **Safety Audit, HARA, Daily inspection of critical processes.**

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) – **YES, Safety committee meetings, Building safety meetings and daily inspection of buildings.**

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? ***(Yes/No)*** **- YES**

Instruction Guidance

1. Occupational health and safety risk refers to the combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure. An occupational health and safety system is a systematic approach to manage such risks.

2. The listed entity shall disclose the processes used to identify work-related hazards and assess risks on a routine and non-routine basis. Work-related hazards refer to a source or situation with the potential to cause injury or ill health.

11. Details of safety related incidents

Safety Incident / Number	Category	FY25 Current financial Year	FY 24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	-	-
	Workers	1.05	-
Total recordable work-related injuries	Employees	-	-
	Workers	1	-
No of fatalities	Employees	0	-
	Workers	1	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	-
	Workers	0	-

Instruction/Guidance

1. The listed entity shall calculate the Lost Time Injury Frequency Rate (LTIFR) as follows:

   (No. of lost time injuries in FY x 1,000,000) / (Total hours worked by all staff in same FY)

2. Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury or ill-health. Work related injury and ill-health arise from exposure to hazards at work and are directly related to performance of work-related tasks.

3. Recordable work-related injury or ill-health results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.

   Under this disclosure, the listed entity shall disclose the total number of employees / workers affected by work-related injuries or ill-health, across all incidents during the reporting period and the prior year. In case the same employee or worker is injured multiple times, say thrice, in separate incidents, the same shall be reported as 3.

4. The entity shall report the report the number of fatalities of employees / workers during the reporting period and the prior year, as a result of work-related injury.

5. High consequence work-related injury or ill-health results in an injury from which the employee / worker cannot or is not expected to recover fully to the previous health status. This disclosure excludes fatalities.

12. Describer the measures taken by the entity to ensure a safe and healthy work-place.

- ➢ Personal Protective Equipment (PPE): Ensure employees have access to and use appropriate PPE for their tasks and work environment
- ➢ House keeping : Maintain a clean and organized work environment to minimize hazards like slips, trips and falls.
- ➢ Ergonomics: Provide ergonomic equipment and adjust workstations to fit employees' needs, promoting physical well-being.
- ➢ Regular Inspections and Audits: Conduct regular safety inspections and audits to ensure compliance with safety policies and procedures.
- ➢ Safety Committees: Establish safety committees with representatives from different departments to promote employee involvement in safety initiatives.
- ➢ Leadership Commitment: Demonstrate a strong commitment to safety from top management, setting the tone for the entire organization.
- ➢ Emergency Preparedness: Develop and practice emergency response plans, including evacuation procedures, first aid and fire safety.

Instruction/Guidance

Under this disclosure, the entity shall report the measures taken to prevent or mitigate significant negative health and safety impacts that are directly linked to its operations, products or services. Also indicate whether these measures are taken for a specific set of activities, employees / workers or facilities of the entity.

13. Number of complaints made by employees and workers

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties
Health and safety practices	Both Katepally and Paddakandukuru units were inspected by Factory department and Telangana Pollution Control Board (TGPCB) and Safety audit / HARA was conducted by M/s 4S Safety Associates, Hyderabad
Working Conditions	

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The compliance reports to the observations of both Factory department and Telangana Pollution Control board (TGPCB) is uploaded in their Portal.

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the process for identification of key stakeholder groups of the entity.

The entity identifies its key stakeholders through a structured assessment process that considers the degree of influence stakeholders have on the company's operations as well as the extent to which they are impacted by the company's activities. This involves mapping stakeholder categories such as customers (defence establishments, aerospace agencies, and commercial clients), regulators and government authorities, employees, suppliers, investors, and local communities. The process combines internal reviews, management deliberations, and periodic engagement mechanisms to ensure that the most relevant groups are prioritized for dialogue and collaboration. Stakeholder mapping is revisited regularly to reflect changes in business context, regulatory landscape, and societal expectations.

Instruction /Guidance

Under this field, the entity shall disclose the basis for determining stakeholders and determining the groups with whom to engage or not to engage.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement including Key Topics and Concerns Raised
Employees	No	Email, Notice Board, HR Meetings, Internal Portal	Quarterly / As needed	To communicate HR policies, safety protocols, training needs, and address employee grievances and suggestions.
Local Communities	Yes	Community Meetings, Notice Board, Pamphlets	Half yearly / Project-specific	Discuss safety, employment opportunities, CSR initiatives, and environmental impact.
Government Authorities	No	Email, Official Letters, Regulatory Filings, In-person Meetings	As per regulatory requirements	Compliance updates, licensing, audit reports, and safety standards.
Customers (Defence/PSUs)	No	Email, B2B Meetings, Contracts, Secure Channels	Project-based / Quarterly	Product specifications, quality standards, project updates, delivery schedules, and performance feedback.
Suppliers & Vendors	No	Email, Purchase Orders, Supplier Meets, Phone Calls	Quarterly / As needed	Procurement terms, supply chain coordination, timely delivery, and quality expectations.

Principle 5. Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	231	231	100%	231	231	100%
Other than Permanent	231	231	100%	231	231	100%
Total Employees	0	0	0	0	0	0
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

*Disclosure's Provided for permanent employees

Instruction/Guidance:

Training programs on human rights issues and policies for employees and workers could include aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the work done by employees / workers.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2024-25 Current financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	**231**	-	-	-	-	**231**	-	-	-	
Male	**214**	-	-	**214**	**100**	**214**	-	-	**214**	**100**
Female	**17**	-	-	**17**	**100**	**17**	-	-	**17**	**100**
Other than Permanent	**NA**	-	-	-	-	-	-	-	-	-
Male										
Female										
Workers										
Permanent	**607**	-	-	-	-	**607**	-	-	-	-
Male	**556**			**556**	**100**	**556**	-	-	**556**	**100**
Female	**51**			**51**	**100**	**551**	-	-	**51**	**100**
Other than Permanent	**606**	-	-		-	**606**	-	-	-	-
Male	**585**			**585**	**100**	**585**	-	-	**585**	**100**
Female	**21**			**21**	**100**	**21**	-	-	**21**	**100**

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors	**3**	**8.32**	**-**	**-**
Key Managerial Personal	**1**	**0.66**	**1**	**0.46**
Employees other than BoD and KMP	**227**	**38.34**	**17**	**1.87**
Workers	**584**	**54.59**	**54**	**5.20**

4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 Current financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	**7.29**	**7.88**

Instruction/Guidance

Remuneration: As per Sec. 2(78) of Companies Act 2013, Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961 (43 of 1961).

Reference: http://ebook.mca.gov.in/default.aspx

2. **Salary:** As per the Income Tax Act, 1961, salary includes:
   i. wages
   ii. any annuity or pension
   iii. any gratuity
   iv. any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages
   v. any advance of salary
   vi. the annual accretion to the balance at the credit of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under Rule 6 of Part `A' of the Fourth Schedule; and
   vii. the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of Rule 11 of Part A of the Fourth Schedule of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under sub-rule (4) thereof Ref-https://www.incometaxindia.gov.in/Acts/Income-tax%20Act,%201961/1968/102120000002035669.htm

3. Wages: As per Sec 2(y) of the Code on Wages, 2019, Wages means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes:
   i. basic pay
   ii. dearness allowance
   iii. retaining allowance, if any,

   but does not include
   a. any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment
   b. the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government
   c. any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon
   d. any conveyance allowance or the value of any travelling concession
   e. any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment

f. house rent allowance

g. remuneration payable under any award or settlement between the parties or order of a court or Tribunal

h. any overtime allowances

i. any commission payable to the employee

j. any gratuity payable on the termination of employment

k. any retrenchment compensation or other retirement benefit payable to the employee or any ex gratia payment made to him on the termination of employment

Provided that, for calculating the wages under this clause, if payments made by the employer to the employee under clauses (a) to (i) exceeds one-half, or such other per cent. as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent. so notified, shall be deemed as remuneration and shall be accordingly added in wages under this clause

Provided further that for the purpose of equal wages to all genders and for the purpose of payment of wages, the emoluments specified in clauses (d), (f), (g) and (h) shall be taken for computation of wage.

Explanation: Where an employee is given in lieu of the whole or part of the wages payable to him, any remuneration in kind by his employer, the value of such remuneration in kind which does not exceed fifteen per cent. of the total wages payable to him, shall be deemed to form part of the wages of such employee

Ref- https://labour.gov.in/sites/default/files/THE%20CODE%20ON%20WAGES%2C%202019%20No.%2029%20of%202019.pdf

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes,

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Yes, Employees are encouraged to promptly report any grievances to their immediate supervisor for resolution. In instances where the grievance pertains to the immediate supervisor, employees may directly approach the next-level manager. Still, ff the employee is not satisfied with the resolution provided by the immediate supervisor/next level manager, they have the right to escalate the matter to the HR Department. This grievance redressal process ensures fairness, transparency, and accountability in addressing human rights-related concerns within the organization.

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human right related issues	Nil	Nil	-	Nil	Nil	-

Instruction/Guidance

1. 'Sexual Harassment' includes any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely:

   i. physical contact and advances

   ii. a demand or request for sexual favours

   iii. making sexually coloured remarks

   iv. showing pornography

   v. any other unwelcome physical, verbal or non-verbal conduct of sexual nature

2. 'Discrimination' refers to unjust or prejudicial treatment of people, especially on the grounds of, but not limited to, caste, creed, sex, race, ethnicity, age, colour, religion, disability, socio-economic status or sexual orientation.

3. As per Sec 2(ii) of the Child Labour (Prohibition & Regulation) Act, 1986 (as amended), 'Child' means a person who has not completed is 14th year of age. It prohibits the employment of adolescents in the age group of 14 to 18 years in hazardous occupations and processes and regulates their working conditions where they are not prohibited.

   Ref- https://labour.gov.in/sites/default/files/act_3.pdf

   https://labour.gov.in/whatsnew/child-labour-prohibition-and-regulation-amendment-act-2016

4. 'Forced Labour' or 'Involuntary Labour' refers to all work or service that is extracted under the menace of penalty. It also includes terms such as, bonded labour and modern slavery. It also includes any labour for which the worker receives less than the government-stipulated minimum wage

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Complaints reported underSexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. As per ID Act, through labour commisioner being focal point.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) - NO

10. Assessments of the year

Category	% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)
Child Labour	Nil – No Child labour
Forced/Involuntary Labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

11. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. Not Applicable

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2024-25 (Current financial Year)	FY 2023-24 (Previous financial Year)
From renewable sources	**units**	**units**
Total electricity consumption (A)	1625925	1638316
Total fuel consumption (B)	80608	93821
Energy consumption through other sources (C)	279600	281009
Total energy consumed from renewable resources (A+B+C)	**1986133**	**2013146**
From non-renewable sources		
Total electricity consumption (D)	0	0
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable resources (D+E+F)	0	0
Total energy consumed. (A+B+C+D+E+F)	**1986133**	**2013146**
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*	Rs. 0.01	Rs.0.01
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output		
Energy intensity *(optional)* – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Instruction /Guidance

1. The entity shall report the total electricity consumed, fuel consumed and energy consumed from other sources during the reporting period, as applicable. Entities may also specify the other sources, in case the same are significant.
2. Energy can be purchased from sources external to the organization or produced by the organization itself (self-generated). If the organization generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted only once.
3. The above data shall be reported in terms of Joules or multiples such as Giga Joules. Entities should consistently apply conversion factors, for converting fuel consumption into Joules, for the data disclosed. In case, different standards and methodologies are used, the same should be disclosed. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.
4. Energy intensity per rupee of turnover shall be calculated as the total energy consumed divided by the total turnover in rupees.
5. Apart from turnover, entities may on a voluntary basis, provide energy intensity ratio, based on other metrics, such as:

- units of product;
- production volume (such as metric tons, litres, or MWh);
- size (such as m2 floor space);
- number of full-time employees

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

   Nil

   Instruction /Guidance

   Perform Achieve and Trade (PAT) scheme ("Scheme") has been launched by Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE) [details available at the following link: https://beeindia.gov.in/content/pat-3]. Under the Scheme, certain sites / facilities are identified as designated consumers and targets are set for such entities in related to the energy consumption.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2024-25 Current Financial Year	FY 2023-24 (Previous financial Year)
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	2,064	7,083
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,064	7,083
Total volume of water consumption (in kilolitres)	20,901	19,935
Water intensity per rupee of turnover (Water consumed / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

Instruction /Guidance

1. The entity shall report the total water withdrawn for any use, along-with a break-up of its source into the following:
   - ➢ Surface water- refers to water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams
   - ➢ Ground water – refers to water that is being held in, and that can be recovered from, an underground formation
   - ➢ Third party water – refers to municipal water and other private suppliers of water
   - ➢ Sea-water / desalinated water – refers to water in a sea or ocean
   - ➢ Other sources - Entities may specify the other sources, in case the same are significant.
2. The entity shall report the total water consumption. Total water consumption is a measure of water used by an organization, that it is no longer available for use by the ecosystem or local community, such as water that has been withdrawn and incorporated into products or has evaporated or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party. It also includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

   If the entity cannot directly measure its water consumption, it may calculate this using the following formula:

   Total water consumption = Total water withdrawal – total water discharge.
3. Water intensity per rupee of turnover shall be calculated as the total water consumed divided by the total turnover in rupees.

4. Apart from turnover, entities may on a voluntary basis, provide water intensity ratio, based on other metrics, such as:
   - units of product;
   - production volume (such as metric tons, litres, or MWh);
   - size (such as m2 floor space);
   - number of full-time employees
5. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

4. Provide the following details related to water discharge –

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)	-	-
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	80 KL (Neutralized to pH7.5) The treated effluent was sent to MANA effluent treatment facility Hyderabad	300 KL (Neutralized to pH7.5) The treated effluent was sent to MANA effluent treatment factility, Hyderabad
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	80KL (Neutralized to pH7.5)	300 KL (Neutralized to pH 7.5)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **NO**

Instruction /Guidance

A zero liquid discharge system involves using advanced waste-water treatment technologies to recycle, recover and then re-use the treated waste-water; towards ensuring that there is not discharge of the waste-water to the environment.

6. Please provide the details of air emissions (other than GHG emissions) by the entity, in the following format -

Parameter	Please specify unit	FY2024-25 (Current financial Year)	FY 2023-24 (Previous financial Year)
NOx	Mg/m3	19.4	16.4
Sox	Mg/m3	14.2	12.8
Particulate Mater	Mg/m3	57.8	60.4
Persistent organic pollutants (POP)	--	--	--
Volatile organic compounds (VOC)	--	--	--
Hazardous air pollutants (HAP)	--	--	--
Others – please specify	--	--	--

Instruction /Guidance

Entities should disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

7. Please provide the details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity NA

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**		
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Instruction /Guidance

1. The term 'green-house gas' covers the following gases:
    - ➢ Carbon dioxide (CO_2)
    - ➢ Methane (CH_4)
    - ➢ Nitrous oxide (N_2O)
    - ➢ Hydrofluorocarbons (HFCs)
    - ➢ Perfluorocarbons (PFCs)
    - ➢ Sulphur hexafluoride (SF_6)
    - ➢ Nitrogen trifluoride (NF_3)
2. Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the entity. Source refers to any physical unit or process that releases GHG into the atmosphere. Further, any emissions that are not physically controlled but result from intentional or unintentional releases of GHGs, such as equipment leakages, methane emissions (eg: from coal mines), shall also be included in the calculations.
3. Scope 2 emissions are energy indirect emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the entity.
4. Entities may, on a voluntary basis, provide a break-up of the Scope 1 and Scope 2 emissions into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3.
5. The entity shall exclude any GHG trades (purchase, sale or transfer of GHG emissions) from the calculation of Scope 1 and Scope 2 GHG emissions.
6. The unit for the disclosures shall be metric tonnes of CO_2 equivalent. Further, entities should disclose the standards, methodologies, assumptions and/or calculation tools used, including sources of the global warming potential (GWP) rates and emission factors used.
7. Scope 1 and Scope 2 emission intensity per rupee of turnover shall be calculated as the total Scope 1 and Scope 2 emissions generated divided by the total turnover in rupees.
8. Apart from turnover, entities may on a voluntary basis, provide Scope 1 and Scope 2 GHG emission intensity ratio, based on other metrics, such as:
    - units of product;
    - production volume (such as metric tons, litres, or MWh);
    - size (such as m^2 floor space);
    - number of full-time employees

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.

Premier Explosives is associated with "green" technology and products, particularly their manufacture of safe, green Nickel Hydrazine Nitrate (NHHN) detonators, making them a pioneer in the safe, commercial-scale production of such detonators worldwide. This technology aims to be more environmentally friendly and safer, fitting into the company's overall role in the explosives and defense sector.

9. Provide details related to waste management by entity , in the following format

Parameter	FY 2024-25 (Current financial Year)	FY 2023-24 (Previous financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)	**60 t**	
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste (G). Please specify if any	**Solid: 3.8 t Liquid: 80 KL**	**5.78 t 300 KL**
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector		
Total (A+B+C+D+E+F+Gg+H)		
Waste intensity per rupee of Turnover (Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) –the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Re-cycled		
ii. Re-used		
iii. Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration		
ii. Landfilling		
iii. Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

Instruction /Guidance

1. The entity shall report the total waste generated in its activities, with a break-up as per the categories specified in various Waste Management Rules issued by the Ministry of Environment, Forests & Climate Change.
2. For each respective category of waste generated (plastic, e-waste, bio-medical waste, construction and demolition waste, battery waste, radio-active waste, other hazardous and other non-hazardous waste), the entity shall report the waste that is recovered through recycling, preparing for re-use or through other recovery operations. Guidance on these terms is given below:
   - Waste may be recovered through any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. Preparation for re-use and recycling are examples of recovery operations.

- Preparation for re-use means checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived.

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Premier explosives have obtained Consent for Operation (CFO) for both our Peddakandukuru and Katepally units.

Peddakandukuru: CFO No. TSPCB/ZO/RCP/NLG/58/CFO/2021-1035, dated October 11, 2021, valid until October 31, 2026.

Katepally: CFO No. TGPCB/ZO/RCP/NLG/1069/CFO/2025-250525746734, dated March 1, 2025, valid until January 31, 2030.

Generally, the manufacturing process involves the assembly of hardware and the mixing of materials into a homogenous product, which typically does not generate any waste. Any residual explosives left over after the process are disposed of by burning with the necessary safety precautions at designated locations within our factory premises.

Liquid effluent generated during the Nitration process is collected, neutralized, and then either sent to a Common Effluent Treatment Facility (in the case of Peddakandukuru) or treated in a forced evaporation plant, with the condensed water collected and reused (in the case of Katepally). All raw materials used in our processes comply with customer requirements or are approved by the Petroleum and Explosive Safety Organization (PESO).

Regarding hazardous waste management, we generate two types: solid and liquid, these wastes are treated at the factory and transported to Telangana pollution control board authorised waste management facilities for further treatment and disposal as mentioned in the Consent for operation order.

For the disposal of solid hazardous waste, Premier Explosives has an agreement with the Hyderabad Waste Management Project in Dundigal, Medchal-Malkajgiri district. For liquid effluent, we have an agreement with the MANA Effluent Treatment Plant in Mallapur, Hyderabad.

As a manufacturer of explosives, we are unable to send any explosive-contaminated material or residual explosives to third parties due to their inherent explosive nature. Therefore, such materials are disposed of within our factory premises at designated locations, in accordance with the Explosive Rules 2008.

Instruction /Guidance

1. Under this field, the entity may consider including a description of the activities that lead to significant waste-related impact and the actions taken to manage the impact from such waste. Such actions could include the following:

➢ Improving materials selection and product design

➢ Using recycled, re-used or renewable materials

➢ Substituting inputs that have hazardous characteristics with inputs that are non-hazardous

2. If the waste generated by the organization in its own activities is managed by a third party, the entity may consider including a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil			

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Nil					

Instruction /Guidance

This disclosure shall be made, if the entity has undertaken EIA in compliance with applicable environmental laws.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, We are compliant with the applicable environmental laws/regulations/guidelines in India.

SL No	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
None				

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations. 2

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	Federation of Telangana Chambers of Commerce and Industry	State
2	Society of Indian Defence Manufacturers	National
3		
4		
5		
6		
7		
8		
9		
10		

2. Provide Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
Nil		

Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant weblink
NA					

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity, in the following format -

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY(In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community

   The Company has established accessible channels for communities to raise their concerns, primarily through dedicated email and phone contacts. All grievances received are formally recorded, acknowledged, and directed to the concerned team for examination and resolution. The process is designed to ensure timely responses, with unresolved matters escalated to higher levels of management where necessary. By maintaining these transparent and responsive mechanisms, the Company is able to address issues effectively and sustain constructive relations with the surrounding communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY 2024-25 (Current financial Year)	FY 2023-24 (Previous financial Year)
Directly sourced from MSMEs/small producers	32.69%	49.4%
Directly from within India	47.74%	85.66%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

   At present, the Company does not maintain specific records of wage cost allocation based on geographical locations. However, the Company has a significant portion of its workforce employed across smaller towns where its facilities are located. Recognising the importance of diversity and regional employment generation, the Company is in the process of accounting and reporting this data more systematically going forward. This will help enhance transparency and highlight the Company's contribution to local economies through both permanent and contractual employment opportunities.

Location	FY 2024-25 (Current financial Year)	FY 2023-24 (Previous financial Year)
Rural	Nil	
Semi-Urban		
Urban		
Metropolitan		

   (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback:

   Procedure for customer complaints and feedback analysis is mentioned in the Quality Management System Functional manual of Quality control department viz., Document No. PEL/QCD/FM, Rev.No.00, Section code QCD/FM/8.6, Process code QCD/PCS/06, dated 01.04.2022

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following

Particulars	FY 2024-25 (Current financial year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues: **NIL**

Particulars	Number	Reasons for recall
Voluntary recalls	--	--
Forced recalls	--	--

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy.

   Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.No corrective action required.

   Provide the following information relating to data breaches:

   a. Number of instances of data breaches : Nil

   b. Percentage of data breaches involving personally identifiable information of customers: Nil

   c. Impact, if any, of the data breaches-Not Applicable

Independent Auditor's Report

To The Members of Premier Explosives Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Premier Explosives Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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, 2025, 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, 20.50% 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, 2025 – 3807.81 lakhs – which is 26.34% 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, 2025. • 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: 1) We assessed management's ECL impairment model consistent with the requirements of IND AS 109; 2) We tested the mathematical accuracy of Management's ECL impairment model; 3) We agreed the data utilised in Management's ECL impairment model at March 31, 2025 to receivables aging report, calculations and other audited information;

Sr. No.	Key Audit Matter	Auditor's Response
		4) 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
2	**Revenue Recognition** (as described in note 2.5 of the standalone financial statements) Revenue from the sale of goods includes estimation of variable consideration on account of powder factor which is based on the agreement with the customer and, the volume of output achieved at the site, which is measured at a later date when the product is actually used by the customer. Accordingly, the deduction is made on current sales based on estimates made from technical evaluation and historical data associated with such services for the likely powder factor. There is substantial time gap between the provision made by the Company and the determination of the actual of powder factor deduction by the customer. This is considered a key audit matter because it involves significant judgment and estimation to determine the percentage of blast output achieved. The settlement of this percentage will occur in the future based on the terms of the contract and mutual agreement.	**Principal audit procedures performed:** • Evaluated the Company's accounting policies related to revenue recognition and assessed their compliance with Ind AS 115 (Revenue from Contracts with Customers). • Reviewing the relevant correspondence with customers to validate the terms related to the powder factor for prior periods. • Assessed the key management assumptions and judgments related to various parameters used for measuring and estimating the amount of powder factor provisions. • Evaluated the historical trend against the actual powder factor deductions. • Assessed and read the disclosures made by the Company in the standalone financial statements.

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.

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 31,2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 45 to the standalone Ind AS financial statements

a) The dividend declared and 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. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 25220354BMOFXY4089

Place: Hyderabad
Date: May 22, 2025

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, 2025 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, 2025, 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: 015975S

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 25220354BMOFXY4089

Place: Hyderabad
Date: May 22, 2025

Annexure "B" to the Independent Auditor's 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 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 excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. For the inventory held by an overseas job worker, as the confirmation is still pending, we have performed alternative audit procedures to obtain sufficient and appropriate audit evidence regarding the existence. The discrepancies noticed on physical verification of inventory as compared to book records were not more than 10% in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

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 loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly reporting under clause iii(a) and iii(b) not applicable.

c) In respect of the loan given in earlier years 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 on the basis of 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 over dues of existing loan given to the same party.

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

(In Lakhs)

		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)	4.38
Total (A+B+C)		**4.38**
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, Income tax, Provident fund, Customs Duty, cess and other material statutory dues, as applicable.

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, 2025, which have not been deposited on account of a dispute, are as follows:

Nature of the Statute	Nature of Dues	Forum	Period	Amount (in Lakhs)
Central Sales tax, 1956	Sales Tax	Honorable High Court of Telangana	2007-08	151.31
Tamil Nadu Value Added tax, 2006	Value Added tax,	Honorable 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 Rs. 399.56 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 willful 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 a 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.

We report that the Company did not have associate companies and joint ventures 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.

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.

xiv a) 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 noncash 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.

xvi a) 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 cash losses during the immediately preceding financial year and the current 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 company has spent the requisite amount during the year as Corporate Social Responsibility under Section 135 of the Act.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 25220354BMOFXY4089

Place: Hyderabad
Date: May 22, 2025

Balance Sheet
as at March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	As at March 31, 2025	As at March 31, 2024
	ASSETS			
I	**Non-current assets**			
	(a) Property, plant and equipment	3(a)	19,059.97	19,070.94
	(b) Capital work-in-progress	3(a)	284.73	309.37
	(c) Right -of- use assets	4	86.60	79.47
	(d) Investment property	5	8.02	8.02
	(e) Intangible assets	6	615.02	690.41
	(f) Financial assets			
	(i) Investments	7	521.00	521.00
	(h) Other non-current assets	9(i)	557.12	322.94
	Total non-current assets		**21,132.46**	**21,002.15**
II	**Current assets**			
	(a) Inventories	10	15,349.46	8,787.01
	(b) Financial assets			
	(i) Trade receivables	11	3,807.81	7,265.33
	(ii) Cash and cash equivalents	12	9,309.24	2,015.67
	(iii) Bank balances other than (ii) above	13	815.75	904.67
	(iv) Loan	8	4.38	4.12
	(c) Other current assets	9(ii)	2,635.64	4,486.10
	Total current assets		**31,922.28**	**23,462.90**
	TOTAL ASSETS		**53,054.74**	**44,465.05**
	EQUITY AND LIABILITIES			
III	**Equity**			
	(a) Equity share capital	14	1,075.22	1,075.22
	(b) Other equity		23,499.89	20,951.07
	Total equity		**24,575.11**	**22,026.29**
	LIABILITIES			
IV	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	750.00	1,250.00
	(ii) Other financial liabilities	16(i)	7.65	7.65
	(b) Provisions	17(ii)	1,060.55	983.69
	(c) Deferred tax liabilities (net)	18	1,346.53	1,364.24
	Total non-current liabilities		**3,164.73**	**3,605.58**
V	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	3,714.47	5,322.82
	(ii) Trade payables:			
	- dues to micro and small enterprises (Refer note: 36)		566.05	527.41
	- dues to others		11,088.85	1,030.46
	(iii) Other financial liabilities	16(ii)	2,150.29	1,328.55
	(b) Provisions	17(ii)	179.14	153.88
	(c) Other current liabilities	19	7,313.24	9,964.58
	(d) Current tax liabilities (net)	20	302.86	505.48
	Total current liabilities		**25,314.90**	**18,833.18**
	Total liabilities		**28,479.63**	**22,438.76**
	TOTAL EQUITY AND LIABILITIES		**53,054.74**	**44,465.05**

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: 015975S

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Place: Secunderabad
Date: May 22, 2025

Statement of Profit and Loss
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
	Income			
I	Revenue from operations	21	41,745.23	27,171.67
II	Other income	22	211.53	405.04
III	**Total income (I+II)**		**41,956.76**	**27,576.71**
IV	**Expenses**			
	Cost of raw materials consumed	23	26,820.08	10,070.70
	Purchases of stock in trade		160.95	227.92
	Changes in inventories of finished goods, work-in-progress and scrap	24	(3,092.33)	770.24
	Employee benefits expense	25	6,192.83	5,749.24
	Finance costs	26	1,109.55	1,079.01
	Depreciation and amortisation expense	27	1,147.42	1,151.69
	Research and development expenses	28	43.86	39.25
	Other expenses	29	5,820.16	4,464.01
	Total expenses (IV)		**38,202.52**	**23,552.06**
V	**Profit before tax (III-IV)**		**3,754.24**	**4,024.65**
VI	**Income tax expense**			
	Current tax	30	901.23	647.00
	Deferred tax	30	(2.25)	565.50
	Total tax expense		**898.98**	**1,212.50**
VII	**Profit for the year (V-VI)**		**2,855.26**	**2,812.15**
VIII	**Other comprehensive income**			
A	**Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plan	25(D)	(53.09)	(152.66)
	Income tax relating to above	30	15.46	44.45
B	**Items that will be reclassified to profit or loss**		-	-
	Income tax relating to above		-	-
	Other comprehensive income after tax for the year (VIII)		**(37.63)**	**(108.21)**
IX	**Total comprehensive income for the year (VII+VIII)**		**2,817.63**	**2,703.94**
X	**Earnings per share (par value of Rs.2 each)**	40		
	Basic		5.31	5.23
	Diluted		5.31	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: 015975S

Kiran Kumar Majeti
Partner
Membership number: 220354

Place: Secunderabad
Date: May 22, 2025

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Changes in Equity
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

Issued, subscribed and paid up Equity shares	Note	No. of shares	Amount
As at April 1, 2023		1,07,52,239	1,075.22
Change during the year			-
As at March 31, 2024		1,07,52,239	**1,075.22**
Change during the year (Refer Note 14(v))		4,30,08,956	-
As at March 31, 2025	14	5,37,61,195	**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, 2023	**20.53**	**7724.08**	**1700.00**	**9331.21**	**(345.90)**	**18429.92**
Profit for the year	-	-	-	2,812.15	-	**2,812.15**
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(108.21)	**(108.21)**
	-	**-**	**-**	**2,812.15**	**(108.21)**	**2,703.94**
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(182.79)	-	(182.79)
	-	**-**	**-**	**(182.79)**	**-**	**(182.79)**
Balance as at March 31, 2024	**20.53**	**7,724.08**	**1,700.00**	**11,960.57**	**(454.11)**	**20,951.07**
Balance as at April 1, 2024	**20.53**	**7,724.08**	**1,700.00**	**11,960.57**	**(454.11)**	**20,951.07**
Profit for the year	-	-	-	2,855.26	-	2,855.26
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(37.63)	(37.63)
	-	**-**	**-**	**2,855.26**	**(37.63)**	**2,817.63**
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(268.81)	-	(268.81)
Balance as at March 31, 2025	**20.53**	**7,724.08**	**1,700.00**	**14,547.02**	**(491.74)**	**23,499.89**

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 Rs. 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.

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: 015975S

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Place: Secunderabad
Date: May 22, 2025

Statement of Cash Flows
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	**Cash flow from operating activities**		
	Profit before income tax	3,754.24	4,024.65
	Adjustments for:		
	Depreciation and amortisation expense	1,147.42	1,151.69
	Unrealised foreign exchange (gain)(net)	(157.44)	(15.29)
	Provision for Expected credit loss	389.66	69.54
	Excess liabilities no longer required	-	(1.35)
	Credit balances written back	(0.20)	(2.98)
	Interest income	(138.07)	(53.56)
	Finance costs	1,109.55	1,079.01
	Bad debts written off(net)	9.64	305.99
	Loss on sale of Property, plant and equipment	0.13	(0.28)
	Book deficit on assets discarded	16.09	2.41
	Operating profit before working capital changes	**6,131.02**	**6,559.83**
	Adjustments for		
	Trade receivables and other assets	4,830.53	(4,982.15)
	Inventories	(6,562.45)	(813.00)
	Trade payables, other liabilities and provisions	8,566.41	7,218.74
	Cash generated from operating activities	**12,965.51**	**7,983.42**
	Income taxes (paid)/ Refund	(1,103.85)	(83.73)
	Net cash generated from operating activities (A)	**11,861.66**	**7,899.69**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,305.95)	(2,315.28)
	Proceeds from disposal /sale of property, plant and equipment	0.44	1.16
	Investment in bank deposits (having original maturity of more than three months)	78.29	(239.89)
	Interest received	145.84	47.21
	Net cash inflow / (outflow) from investing activities (B)	**(1,081.38)**	**(2,506.80)**
C	**Cash flows from financing activities**		
	(Repayment)/ Proceeds from non-current borrowings (net)	(728.79)	1,470.86
	(Repayment)/ Proceeds from current borrowings (net)	(1,375.60)	(3,619.15)
	Finance costs	(1,113.51)	(1,081.96)
	Dividends paid to company's shareholders	(268.81)	(182.79)
	Net cash inflow / (outflow) from financing activities (C)	**(3,486.71)**	**(3,413.04)**
D	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	7,293.57	1,979.85
	Cash and cash equivalents at the beginning of the year	2,015.67	35.82
E	**Cash and cash equivalents at end of the year**	**9,309.24**	**2,015.67**
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)	9,309.24	2,015.67
	Balance as per statement of cash flows	**9,309.24**	**2,015.67**

The accompanying notes are an integral part of the financial statements

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 MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership number: 220354

Place: Secunderabad
Date: May 22, 2025

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Notes to the Financial Statements for the year ended March 31, 2025

(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 22, 2025.

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 (CODM) as defined under IND AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography

The company 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 financial statements.

2.3 Foreign currencies Transactions and Translation

(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. Uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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]

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 Company and that are believed to be reasonable under the circumstances.

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 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).

2.6 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 Rs. 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.

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.

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.

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 (if any) as per Ind AS 27. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 measures 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.

2.17 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 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.

2.18 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 standalone 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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statement.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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	Capital work-in-progress
Year ended March 31, 2024									
Gross carrying amount (Cost)									
Opening 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
Additions	236.96	40.91	1,584.58	-	14.57	37.21	12.54	1,926.77	1,664.30
Disposals	-	-	(16.02)	-	(2.46)	(6.77)	(0.24)	(25.49)	(1,536.43)
Closing gross carrying amount	6,919.05	7,447.70	10,394.19	337.34	265.41	237.77	123.73	25,725.19	309.37
Accumulated depreciation									
Opening accumulated depreciation	-	1,477.80	3,603.20	183.47	185.57	135.45	83.46	5,668.95	-
Depreciation charge during the year	-	356.81	570.34	24.59	14.53	28.47	12.76	1,007.50	-
Disposals	-	-	(13.74)	-	(2.35)	(5.88)	(0.23)	(22.20)	-
Closing accumulated depreciation	-	1,834.61	4,159.80	208.06	197.75	158.04	95.99	6,654.25	-
Net carrying amount as at March 31, 2024	**6,919.05**	**5,613.09**	**6,234.39**	**129.28**	**67.66**	**79.73**	**27.74**	**19,070.94**	**309.37**
Year ended March 31, 2025									
Gross carrying amount (Cost)									
Opening gross carrying amount	6,919.05	7,447.70	10,394.19	337.34	265.41	237.77	123.73	25,725.19	309.37
Additions	93.57	302.03	567.48	-	17.36	8.98	6.16	995.58	559.66
Disposals		(31.69)	-	-	(0.44)	(20.64)	-	(52.77)	(584.30)
Closing gross carrying amount	7,012.62	7,718.04	10,961.67	337.34	282.33	226.11	129.89	26,668.00	284.73
Accumulated depreciation									
Opening accumulated depreciation	-	1,834.61	4,159.80	208.06	197.75	158.04	95.99	6,654.25	-
Depreciation charge during the year	-	291.07	629.95	23.19	15.68	17.93	12.06	989.88	-
Disposals	-	(16.10)	-	-	(0.39)	(19.61)	-	(36.10)	-
Closing accumulated depreciation	-	2,109.58	4,789.75	231.25	213.04	156.36	108.05	7,608.03	-
Net carrying amount as at March 31, 2025	**7,012.62**	**5,608.46**	**6,171.92**	**106.09**	**69.29**	**69.75**	**21.84**	**19,059.97**	**284.73**

Notes to Property, plant and equipment

1) Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
2) Refer note 41 for information on property, plant and equipment provided as security by the company.
3) The company has not revalued its property plant and equipment during the year

3) Aging of capital work-in-progress as at March 31,2025

	Amount in capital work-in-progress for				
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(a) Projects in Progress	276.96	7.77	-	-	284.73
(b) Projects temporarily Suspended	-	-	-	-	-
	276.96	**7.77**	**-**	**-**	**284.73**

4) Aging of capital work-in-progress as at March 31,2024

	Amount in capital work-in-progress for				
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(a) Projects in Progress	309.37	-	-	-	309.37
(b) Projects temporarily Suspended	-	-	-	-	-
	309.37	**-**	**-**	**-**	**309.37**

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2024-25 and 2023-24 and also cost not exceeded as compared to its original plan

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

4 Right -of -use assets

	As at March 31, 2025	As at March 31, 2024
Land (Gross Carrying value)	85.16	80.16
Additions	8.00	5.00
Opening accumulated deprecation	(5.69)	(4.85)
Depreciation	(0.87)	(0.84)
Total Right -of -use asset	**86.60**	**79.47**

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

The company has not revalued its Right -of -use assets during the year

5 Investment property

	As at March 31, 2025	As at March 31, 2024
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 Rs. 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations. (Pricing model approach Level 3).

6 Intangible assets (acquired)

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	162.18	1,108.94
Additions	-	-	126.60	126.60
Closing gross carrying amount	55.58	891.18	288.78	1,235.54
Accumulated amortisation				
Opening accumulated amortisation	48.97	317.61	35.20	401.78
Amortisation charge during the year	0.50	97.48	45.37	143.35
Closing accumulated amortisation	49.47	415.09	80.57	545.13
Closing net carrying amount as at March 31, 2024	**6.11**	**476.09**	**208.21**	**690.41**
Year ended March 31, 2025				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	288.78	1,235.54
Additions	0.56	80.72	-	81.28
Closing gross carrying amount	56.14	971.90	288.78	1,316.82
Accumulated amortisation				
Opening accumulated amortisation	49.47	415.09	80.57	545.13
Amortisation charge during the year	0.22	98.70	57.75	156.67
Closing accumulated amortisation	49.69	513.79	138.32	701.80
Net carrying amount as at March 31, 2025	**6.45**	**458.11**	**150.46**	**615.02**

Technology transfer rights (Transfer of Technology) provided by Defence Research and Development Organisation (DRDO), High Energy Materials Research Laboratory (HEMRL),Balkan Novoteh 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.

The company has not revalued its Intangible assets during the year

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

7 Non-current investments

	As at March 31, 2025	As at March 31, 2024
(Un quoted, fully paid up)		
Investment in equity instruments in subsidiary companies (at cost)		
Premier Wire Products Limited 52,00,000 (March 31, 2024: 52,00,000) equity shares of Rs.10/- each, fully paid	520.00	520.00
PELNEXT Defence Systems Private Limited 10,000 (March 31, 2024:10,000) equity shares of Rs.10/- each fully paid	1.00	1.00
Total Non-current investments	**521.00**	**521.00**
Aggregate amount of unquoted investments	521.00	521.00
Aggregate amount of impairment in the value of investments	-	-

8 Loan

(i) Current

	As at March 31, 2025	As at March 31, 2024
Loan considered good -unsecured		
Loan to related parties* (Refer note: 38)	4.38	4.12
Total Loans	**4.38**	**4.12**

*Financial assets carried at amortised cost

8(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

	As at March 31, 2025	As at March 31, 2024
PELNEXT Defence Systems Private Limited		
Outstanding at year end	4.38	4.12
Maximum outstanding	**4.38**	**4.12**

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

8(b) Amounts repayable on demand

Type of Borrowers	As at March 31, 2025		As at March 31, 2024	
	Amount of Loan	Percentage to total Loans	Amount of Loan	Percentage to total Loans
Related Party	4.38	100%	4.12	100%

9 Other assets

(i) Non current

	As at March 31, 2025	As at March 31, 2024
Capital advances	334.61	148.08
Advances other than capital advances:		
Security deposits	201.51	129.96
Pre-paid expenses	16.10	44.90
Share Application Money	4.90	-
Total other non-current assets	**557.12**	**322.94**

(All amounts in INR lakhs, unless otherwise stated)

(ii) Current

	As at March 31, 2025	As at March 31, 2024
Balances with government authorities	1,193.87	428.68
Prepaid expenses	157.15	275.54
Advances to suppliers	1,065.61	3,650.83
Other receivable	219.01	131.05
Total other current assets	**2,635.64**	**4,486.10**

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

	As at March 31, 2025	As at March 31, 2024
Raw materials	8,026.15	4,648.55
Work-in-progress	6,024.82	3,342.94
Finished goods	650.58	239.93
Stores and spares	647.09	554.57
Scrap (at net realisable value)	0.82	1.02
Total inventories	**15,349.46**	**8,787.01**
Raw materials includes stock in transit	-	45.98

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 10 (c): During the year 2024-25, the company has recognised an amount of ₹ 15.23 Lakh towards provision for obsolete stock

11 Trade receivables

(i) Current

	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customer - Billed	4,191.11	7,183.26
Trade receivables from contract with customer - Unbilled	138.50	214.21
Less: Provision for expected credit loss (Refer Note:32(A))	521.80	132.14
Total current trade receivables	**3,807.81**	**7,265.33**

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

	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	4,329.61	7,397.47
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**4,329.61**	**7,397.47**
Less: Provision for expected credit loss (Refer note:32(A))	521.80	132.14
Total trade receivables	**3,807.81**	**7,265.33**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

11(c)Trade Receivables ageing as at March 31, 2025

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	Total
Undisputed							
- Considered good	2,701.88	740.37	-	575.62	123.87	187.87	4,329.61
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							521.80
Total trade receivables							**3,807.81**

11(d) Trade Receivables ageing as at March 31, 2024

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	Total
Undisputed							
- Considered good	5,186.99	1,309.39	317.67	367.65	57.56	158.21	7,397.47
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							132.14
Total trade receivables							**7,265.33**

12 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
in current accounts	2,371.13	12.76
Deposits with banks with original maturity is less than three months	6,935.99	2,000.54
Cash on hand	2.12	2.37
Total cash and cash equivalents	**9,309.24**	**2,015.67**

*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 Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

13 Bank balances other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Earmarked balances with bank *	10.74	13.60
Deposits with original maturity over 3 months but less than 12 months	9.11	8.66
Margin money deposits with banks	795.90	882.41
Total Bank balances other than cash and cash equivalents	**815.75**	**904.67**

* Earmarked balances represent unpaid dividend.

14 Equity share capital

Movement of equity share capital during the year

(i) Authorised

(Face value) #	No of shares	Amount
As at April 1, 2023	1,50,00,000	1,500.00
Change during the year	-	-
As at March 31, 2024	**1,50,00,000**	**1,500.00**
Change during the year (Refer Note14 (v))	6,00,00,000	-
As at March 31, 2025	**7,50,00,000**	**1,500.00**

(ii) Issued, subscribed and paid up

(Face value) #	No of shares	Amount
As at April 1, 2023	1,07,52,239	1,075.22
Change during the year	-	-
As at March 31, 2024	**1,07,52,239**	**1,075.22**
Change during the year	4,30,08,956	-
As at March 31, 2025	**5,37,61,195**	**1,075.22**

#(face value of each Rs 2/- w.e.f from 21st june,2024), Face value of Rs.10 each upto 21st June 2024.

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

	As at March 31, 2025		As at March 31, 2024	
	Number of shares (Face Value ₹ 2)	% holding	Number of shares (Face Value ₹ 10)	% holding
Dr. A.N.Gupta	1,31,00,915	24.37%	26,20,183	24.37%
Dr. (Mrs.) Kailash Gupta	58,37,335	10.86%	11,67,467	10.86%
A. N. Gupta (HUF)	32,83,485	6.11%	6,56,697	6.11%
HDFC Trustee Company Limited-HDFC Infrastructure	43,13,389	8.02%	9,97,803	9.28%

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2025		% Change during the year	As at March 31, 2024		% Change during the year
	Number of shares (Face Value ₹ 2)	% of total shares		Number of shares (Face Value ₹ 10)	% of total shares	
1)Dr. A.N.Gupta	1,31,00,915	24.37%	0.00%	26,20,183	24.37%	0.00%
2)Dr. (Mrs.) Kailash Gupta	58,37,335	10.86%	0.00%	11,67,467	10.86%	0.00%
3)A. N. Gupta (HUF)	32,83,485	6.11%	0.00%	6,56,697	6.11%	0.00%

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(v) Sub-division/Split of Equty share:-

Pursuant to the approval of the shareholders of the company through postal ballot, one equity share of Rs. 10 /- each fully paid up was subdivided/split into five equity share of Rs. 2/- each with effect from June 21, 2024.

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting 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.

15 Borrowings

(i) Non-current

	As at March 31, 2025	As at March 31, 2024
Term loans		
Secured -At Amortised Cost		
From banks	1,250.00	1,978.79
Less: Current maturities of long-term debt	(500.00)	(728.79)
Total Non current borrowings	**750.00**	**1,250.00**

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 Managing Director of the company.

Note 15 (b): **Repayment terms:** Secured term loan comprise of 10 quarterly installment of Rs. 125.00 Lakhs carries interest rate of 10.75% as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	9.70 to 10.45	1,986.56	2,000.79
Buyers credit from bank	7.56 to 8.33	-	442.87
Packing credit	4.5 to 7.00	-	332.00
Current maturities of long-term borrowings	10.75%	500.00	728.79
Interest accrued but not due		-	3.96
Unsecured -At Amortised Cost			
Loans from related parties (Refer note: 38)	7 to 8.95	399.56	942.49
Loans from banks	8.95 to 9.95	828.35	871.92
Total current borrowings		**3,714.47**	**5,322.82**

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and Property plant and equipment of the company and personal guarantee of managing director of the company.

Note 15(d): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

16 Other financial liabilities

i) Non-current

	As at March 31, 2025	As at March 31, 2024
Dealership deposits	1.20	1.20
Earnest money deposits	6.45	6.45
	7.65	**7.65**

ii) Current

	As at March 31, 2025	As at March 31, 2024
Unclaimed dividend (Refer note: 16.1)	10.74	13.60
Capital creditors	53.44	112.64
Employee benefits payable	680.06	482.82
Creditors for expenses (Refer note: 16.2)	1,406.05	719.49
Total other financial liabilities	**2,150.29**	**1,328.55**

Note 16.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 16.1 : Creditors for expenses Consists no dues in respect of micro and small enterprises. (refer Note no 36).

17 Provisions

	As at March 31, 2025	As at March 31, 2024
Employee benefit obligations		
i) Non-current		
Gratuity (Refer note : 25(a))	836.25	782.88
Leave encashment	224.30	200.81
Total	**1,060.55**	**983.69**
ii) Current		
Gratuity (Refer note : 25(a))	100.38	79.62
Leave encashment	78.76	74.26
Total	**179.14**	**153.88**

18 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2025	As at March 31, 2024
Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,009.35	2,262.47
Mat Credit Entitlement	-	(472.83)
Provision for expected credit loss	(151.95)	(38.48)
Expenses allowable on the basis of payment	(510.87)	(386.92)
Carry forwarded losses	-	-
Deferred tax (assets) / liabilities (net)	**1,346.53**	**1,364.24**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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	MAT Credit Entitlement	Total
As at April 1, 2023	**2,067.84**	**(163.86)**	**(656.70)**	**(337.08)**	**(67.00)**	**843.20**
Charged / (credited)						-
- to profit or loss	194.63	125.38	656.70	(5.39)	(405.83)	565.49
- to other comprehensive income	-	-	-	(44.45)	-	(44.45)
As at March 31, 2024	**2,262.47**	**(38.48)**	**-**	**(386.92)**	**(472.83)**	**1,364.24**
Charged / (credited)						-
- to profit or loss	(253.12)	(113.47)	-	(108.49)	472.83	(2.25)
- to other comprehensive income	-	-	-	(15.46)	-	(15.46)
As at March 31, 2025	**2,009.35**	**(151.95)**	**-**	**(510.87)**	**-**	**1,346.53**

19 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory taxes payable	70.55	62.66
Advance from customers	7,242.69	9,901.92
Total other current liabilities	**7,313.24**	**9,964.58**

20 Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Provision for taxation(Net of Prepaid taxes Rs. 566.95 Lakhs ; Previous Year Rs. 1744.00 Lakhs)	294.01	496.63
Interest on income tax	8.85	8.85
Total current tax liabilities	**302.86**	**505.48**

21 Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
- Sale of products	38,844.07	24,387.83
- Sale of traded goods	160.75	227.87
- Sale of services	2,622.00	2,422.80
	41,626.82	**27,038.50**
Other operating revenue	118.41	133.17
Total revenue from operations	**41,745.23**	**27,171.67**

(All amounts in INR lakhs, unless otherwise stated)

Disaggregation of revenue from contracts with customers

The company derives revenue from transfer of goods and services from the following geographical locations.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Geographical location		
- India	33,897.22	20,192.90
- Other countries	7,848.01	6,978.77
Total	**41,745.23**	**27,171.67**

Information about major customers:

One customers represents 10% or more of the Company's total revenue during the year ended March 31, 2025 and three customer represents 10% or more of the Company's total revenue during the year ended March 31, 2024.

Contract Price Reconciliation

	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract Price	46,061.49	27,782.23
Less: Variable consideration	4,316.26	610.56
	41,745.23	**27,171.67**

22 Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets measured at amortised cost	138.07	53.56
Gain on sale of property, plant & equipment	-	0.28
Net gain on foreign currency transactions and translations	-	59.46
Excess liabilities no longer required	-	1.35
Credit balances written back	0.20	2.98
Other non-operating income*	73.26	287.41
Total other income	**211.53**	**405.04**

*Other non-operating income during the previous year includes the refund of performance-related late delivery charges, as per Notification No. F.1/1/2023-PPD dated July 18, 2023.

23 Cost of raw materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials at the beginning of the year	4,648.55	3,049.16
Add: Purchases	30,197.68	11,764.09
Less: Insurance claims received	-	(94.00)
Less: Raw materials at the end of the year	(8,026.15)	(4,648.55)
Total cost of raw materials consumed	**26,820.08**	**10,070.70**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

24 Changes in inventories of finished goods, work-in-progress and scrap

	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance		
Finished goods	239.93	1,100.81
Work-in-progress	3,342.94	3,251.55
Scrap	1.02	1.77
Total opening balance	**3,583.89**	**4,354.13**
Closing balance		
Finished goods	650.58	239.93
Work-in-progress	6,024.82	3,342.94
Scrap	0.82	1.02
Total closing balance	**6,676.22**	**3,583.89**
Changes in inventories of finished goods, work-in-progress and scrap	**(3,092.33)**	**770.24**

25 Employee benefits expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages, bonus and other allowances	5,550.26	5,189.85
Contribution to provident fund and other funds	337.40	314.54
Contribution to ESI	10.92	13.14
Staff welfare expenses	294.25	231.71
Total employee benefits expense	**6,192.83**	**5,749.24**

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.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund	196.59	193.35
Employer's contribution to ESI	10.92	13.14

(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.

(All amounts in INR lakhs, unless otherwise stated)

Gratuity

A) Reconciliation of opening and closing balances of defined benefit obligation

	Gratuity (funded)	
	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation at beginning of the year	1,392.95	1,185.09
Current service cost	82.54	77.15
Interest cost	97.03	84.63
Actuarial (gain) / loss	55.38	153.48
Benefits paid	(113.04)	(107.40)
Defined benefit obligation at year end	1,514.86	1,392.95

B) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (funded)	
	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at beginning of year	530.45	595.95
Expected return on plan assets	38.76	40.58
Actuarial (gain) / loss	2.29	0.82
Employer's contribution	119.77	0.50
Benefits paid	(113.04)	(107.40)
Fair value of plan assets at year end	578.23	530.45

C) Reconciliation of fair value of assets and obligations

	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets	578.23	530.45
Present value of obligation	1,514.86	1,392.95
Amount recognised in balance sheet, surplus/(deficit)	**(936.63)**	**(862.50)**

D) Expenses recognised during the year

	Gratuity (funded)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
In income statement		
Current service cost	82.54	77.15
Interest cost	97.03	84.63
Return on plan assets	(38.76)	(40.58)
Net cost	**140.81**	**121.20**
In other comprehensive income		
Actuarial (gain) / loss	53.09	152.66
	193.90	**273.86**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.79%	7.26%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	14.90	15.28
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation	1,514.86	1,392.95
Discount rate: (% change compared to base due to sensitivity)		
Increase : +1%	1,427.68	1,309.21
Decrease: -1%	1,612.15	1,486.28
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,622.76	1,496.54
Decrease: -1%	1,416.74	1,298.73
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,529.23	1,409.36
Decrease: -1%	1,499.00	1,374.90

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.

(All amounts in INR lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 7.00 years (March 31, 2024:7.00 years). The expected cash flows over the years is as follows:

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation - gratuity		
Less than a year	102.27	80.97
Between 2-5 years	840.52	665.92
Over 6 years	1,549.92	1,677.39

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.

26 Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost	689.01	723.18
Other borrowing costs	420.54	355.83
Total finance costs	**1,109.55**	**1,079.01**

27 Depreciation and amortisation expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment	989.88	1,007.50
Depreciation of right-of-use assets	0.87	0.84
Amortisation of intangible assets	156.67	143.35
Total depreciation and amortisation expense	**1,147.42**	**1,151.69**

28 Research and development expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials consumed	3.99	6.12
Salaries, wages, bonus and other allowances.	39.01	32.27
Contribution to provident and other funds.	0.86	0.86
Total research and development expenses	**43.86**	**39.25**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

29 Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spares	243.47	195.24
Consumption of packing materials	731.49	439.56
Power and fuel	380.51	384.65
Repairs and maintenance		
- Plant and machinery	509.85	423.13
- Buildings	60.08	67.28
- Others	165.45	148.76
Insurance	122.14	100.90
Rent	32.14	16.43
Rates and taxes, excluding taxes on income	65.88	64.21
Legal and professional charges	174.33	114.40
Directors sitting fees	16.13	12.03
Travelling and conveyance	365.86	322.87
Sales commission	526.68	463.89
Carriage outward	305.01	405.28
Other selling expenses	611.11	448.64
Payments to auditors (Refer Note no 29(a))	25.12	23.59
Bad Debts Written off (net)	9.64	305.99
Book deficit on assets discarded	16.09	2.41
Donations	4.90	3.16
Provision for Expected credit losses (Net)	389.66	69.54
Corporate social responsibility expenditure (Refer Note no 29(b))	29.74	1.92
Security charges	168.33	159.61
Provision for Expected loss on long term contracts (Refer Note no 29(c))	500.00	-
Provision for doubtfull adavances	82.00	-
Testing fees	68.73	79.59
Loss on sale of property, plant & equipment	0.13	-
Net loss on foreign currency transactions and translations	2.53	-
General expenses	213.16	210.93
Total other expenses	**5,820.16**	**4,464.01**

29(a) Details of payments to auditors

	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditors		
As auditors		
As Statutory auditor	9.35	8.50
For Quarterly reviews	8.25	7.50
In other capacities		
For GST Matters	3.00	3.00
For Certification	2.95	3.00
Re-imbursement of expenses	1.57	1.59
Total payments to auditors	**25.12**	**23.59**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

29 (b) Corporate social responsibility expenditure

	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent as per section 135 of the Act	38.06	1.28
Amount of expenditure incurred during the year on		
(I) Promoting education	15.34	1.92
(ii) Promoting healthcare	11.40	-
(iii) Armed forces veterans	0.50	-
(iv) Environmental sustainability	2.50	-
Total Amount spent during the year	29.74	1.92
(Shortfall)/Excess at the end of previous year	9.51	8.87
Total of Previous years (short fall)/Excess	1.19	9.51
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	

29 (c) Expected loss on long term contracts

In accordance with the principles laid down under Ind AS 115 – Revenue from Contracts with Customers, the Company has assessed the long-term contracts on an ongoing basis. Where it is anticipated that the total estimated contract costs will exceed the total estimated contract revenue, the expected loss is recognized immediately in the Statement of Profit and Loss as per the requirements of Paragraph onerous contract accounting under Ind AS 37. Accordingly, a provision for expected loss amounting to ₹ 500 lakhs has been recognized under "Liabilities" in the Balance Sheet. This reflects the current best estimate of the loss expected to be incurred to fulfill the performance obligations under the said contracts.

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, 2025	For the year ended March 31, 2024
(a) Income tax expense		
Current tax		
Current tax on profits for the year	895.00	647.00
Adjustments for current tax of prior periods	6.23	-
Total current tax expense	**901.23**	**647.00**
Deferred tax		
Decrease/ (increase) in deferred tax assets	(253.12)	851.34
(Decrease)/ increase in deferred tax liabilities	250.87	(285.84)
Total deferred tax expense/(benefit)	**(2.25)**	**565.50**
Income tax expense	**898.98**	**1,212.50**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit /(loss)from operations before income tax expenses	**3,754.24**	**4,024.65**
	Income tax expense		
	Tax at the rate of 29.12% (2023-24 : 29.12%)	1,093.23	1,171.98
	Tax effect on account of change in tax rate of Long term Capital Gain	(281.26)	-
	Tax effect of expenses not allowed for tax purpose	38.76	5.69
	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	15.46	44.45
	Effect of interest on income tax	32.38	22.89
	Adjustments for current tax of prior periods	6.23	-
	Tax effect on others	39.89	13.20
Income tax expense		**898.98**	**1,212.50**

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: 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: 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.

The following table represents the fair value hierarchy of assets and liabilities:

		Fair value hierarchy	Notes	As at March 31, 2025		As at March 31, 2024	
				Carrying value	Fair value	Carrying value	Fair value
A.	**Financial assets**						
	Measured at amortised cost						
	Cash and cash equivalents	Level -3	12	9,309.24	9,309.24	2,015.67	2,015.67
	Other bank balances	Level -3	13	815.75	815.75	904.67	904.67
	Trade receivables	Level -3	11	3,807.81	3,807.81	7,265.33	7,265.33
	Loans	Level -3	8	4.38	4.38	4.12	4.12
	Total financial assets			**13,937.18**	**13,937.18**	**10,189.79**	**10,189.79**
B.	**Financial liabilities**						
	Measured at amortised cost						
	Trade payables	Level -3		11,654.90	11,654.90	1,557.87	1,557.87
	Borrowings	Level -3	15	4,464.47	4,464.47	6,572.82	6,572.82
	Other financial liabilities	Level -3	16	2,157.94	2,157.94	1,336.20	1,336.20
	Total financial liabilities			**18,277.31**	**18,277.31**	**9,466.89**	**9,466.89**

Note:

(i) Investments mentioned in note 6 include equity investments in Subsidiaries 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.

(ii) 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.

(All amounts in INR lakhs, unless otherwise stated)

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 based on provision matrix) 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, 2025	As at March 31, 2024
Expected credit losses (ECL)		
Opening balance	132.14	589.05
Less: No longer required written back	-	(526.45)
Add: ECL Movement during the year	389.66	69.54
Closing balance	521.80	132.14

(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.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Unhedged foreign currency exposure as at the reporting date

	As at March 31, 2025			
	GBP (in number)	**USD (in number)**	**EURO (in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	9,26,872	-	793.23
Total	-	9,26,872	-	793.23
Foreign currency liabilities				
Payables for supplies and services	-	1,14,41,660	-	9,791.93
Capital Creditors	2,032	-	-	2.25
Outstanding Liabilities		4,58,540	1,71,597	550.85
Total	2,032	1,19,00,200	1,71,597	10,345.03
Net foreign currency assets / (liabilities)	(2,032)	(1,09,73,328)	(1,71,597)	(9,551.80)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	8,57,374	92,500	819.15
Advance from customers	-	11,30,378	-	967.39

	As at March 31, 2024			
	GBP (in number)	**USD (in number)**	**EURO (in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	21,52,407	-	1,794.55
Balance with banks	-	3	-	-
Deposits Recoverable	-	-	-	-
Total	-	21,52,410	-	1,794.55
Foreign currency liabilities				
Payables for supplies and services	-	4,41,069	68,500	429.54
Current borrowings	-	5,31,180	-	442.86
Capital Creditors	2,032	-	-	2.14
Total	2,032	9,72,249	68,500	874.54
Net foreign currency assets / (liabilities)	(2,032)	11,80,161	(68,500)	920.01
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	36,70,905	-	3,060.58
Advance from customers	-	20,22,879	-	1,686.55

(All amounts in INR lakhs, unless otherwise stated)

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, 2025	For the year ended March 31, 2024
GBP	0.06	0.05
USD	(234.83)	24.55
EURO	(3.96)	(1.55)

(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, 2025				
Non-current borrowings	-	750.00	-	750.00
Current borrowings	3,714.47	-	-	3,714.47
Trade and other payable	11,654.90	-	-	11,654.90
Other financial liabilities	2,150.29	7.65	-	2,157.94
Total financial liabilities	**17,519.66**	**757.65**	**-**	**18,277.31**
Year ended March 31, 2024				
Non-current borrowings	-	1,250.00	-	1,250.00
Current borrowings	5,322.82	-	-	5,322.82
Trade and other payable	1,557.87	-	-	1,557.87
Other financial liabilities	1,328.55	7.65	-	1,336.20
Total financial liabilities	**8,209.24**	**1,257.65**	**-**	**9,466.89**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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, 2025	As at March 31, 2024
Net debt*	-	3,666.08
Equity	24,575.11	22,026.29
Total capital (net debt + equity)	**24,575.11**	**25,692.37**
Gearing ratio (Net debt / Total capital)	**0.00%**	**14.27%**

***Net debt is as follows**

		As at March 31, 2025	As at March 31, 2024
A)	Borrowings		
	Non-current borrowings	750.00	1,250.00
	Current borrowings	3,714.47	5,322.82
	Total (A)	**4,464.47**	**6,572.82**
B)	Cash and cash equivalents	9,309.24	2,015.67
	Bank balances other than cash and cash equivalents	805.01	891.07
	Total (B)	**10,114.25**	**2,906.74**
C)	**Net debt (A-B)**	**(5,649.78)**	**3,666.08**

(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 Rs. 220 crores including deferred tax liabilities.

* Total outside liabilities should be less than 1.00 times of the total net worth of the company

* Total debt should be less than 2.00 times of the Earnings before interest, depreciation, taxes and amortisation of the company

* Debt service coverage ratio should be greater than 1.25 throughout the tenor of the loan

The company has complied with these covenants throughout the reporting period.

34 Contingent liabilities

	As at March 31, 2025	As at March 31, 2024
On account of letters of credit and guarantees issued by the bankers	5,945.21	9,461.90
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

(All amounts in INR lakhs, unless otherwise stated)

35 Commitments

	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,441.54	417.95

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, 2025	As at March 31, 2024
Principal amount remaining unpaid as at year-end	566.05	527.41
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.		

36(b) Ageing of Trade Payables as at March 31, 2025

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	566.05	-	-	-	-	566.05
Others	901.24	10,056.11	8.36	42.27	80.87	11,088.85
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,467.29**	**10,056.11**	**8.36**	**42.27**	**80.87**	**11,654.90**

36(c) Ageing of Trade Payables as at March 31, 2024

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	527.41	-	-	-	-	527.41
Others	647.34	59.40	228.17	38.59	56.96	1,030.46
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,174.75**	**59.40**	**228.17**	**38.59**	**56.96**	**1,557.87**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

37 Interest in other entities

The Company's subsidiaries as at March 31, 2025 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, 2025	As at March 31, 2024
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%

38 Related party Information

Relationship	Name of related party	
(a) Enterprises where control exists		
Wholly owned subsidiary company	PELNEXT Defence Systems Private Limited	
Subsidiary	Premier Wire Products Limited	
Joint venture	Global Premier Limited (wef March 07, 2025)	
(b) Key management personnel (KMP)	Dr. A.N.Gupta	Chairman
	Mr. T.V.Chowdary	Managing Director
	Mr. Y. Durga Prasad Rao	Whole time Director
	Dr. (Mrs.) Kailash Gupta	Non Executive Director
	Mrs. Shonika Prasad	Non-Executive Director
	Dr. V G Sekaran	Independent Director
	Dr. Narendra Kumar Nanda	Independent Director
	Ch. Seshagiri Rao	Independent Director
	Dr. (Mrs.) Kumuda Raghavan	Independent Director
	Gen P.R.Kumar	Independent Director
	Mr. Anil Kumar Mehta	Independent Director(till 12-08-2024)
	Mr. P.R.Tripathi	Independent Director(till 12-08-2024)
	Mr. K.Rama Rao	Independent Director(till 12-08-2024)
	Dr. A.Venkat Raman	Independent Director(till 12-08-2024)
(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)	

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties during the year

	For the year ended March 31, 2025	For the year ended March 31, 2024
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	341.33	309.36
Others		
Repayment of unsecured loan	519.05	-
Interest paid	3.53	46.00
Dividend paid	95.58	65.02
Sitting fees	16.13	12.03
Capital advance given	-	-
Purchase of land	-	162.00
Relatives of Key Management Personnel		
Dividend paid	0.51	0.35
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	16.42	11.16
Concerns in which the company has substantial interest (subsidiary company)		
Acceptance of unsecured loan	-	-
Interest paid	27.92	28.62
Reimbursement of expenses	0.91	0.96
Rent paid	1.19	1.19
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Reimbursement of expenses	0.02	0.07
Interest income	0.29	0.28

(f) Balance outstanding at the year end are as follows

	As at March 31, 2025	As at March 31, 2024
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	39.74	41.30
Mr. T.V. Chowdary	46.70	41.30
Mr. Y. Durga Prasad Rao	22.70	20.65
Loan Payable Outstanding		
Dr. A.N.Gupta	-	400.27
Dr. Kailash Gupta	-	118.78
Concerns in which the company has substantial interest (subsidiary company)		
Loan Payable Outstanding		
Premier Wire Products Limited	399.56	423.44
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Loan Receivable Outstanding		
PELNEXT Defence Systems Private Limited	4.38	4.12

Notes to 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, 2025	For the year ended March 31, 2024
Acceptance of unsecured loans		
Premier Wire Products Limited	-	-
Interest paid		
Dr. A.N.Gupta	0.88	35.44
Dr. Kailash Gupta	2.65	10.56
Premier Wire Products Limited	27.92	28.62
Managerial remuneration paid*		
Dr. A.N.Gupta	62.12	65.30
Mr. T.V. Chowdary	189.31	164.28
Mr. Y. Durga Prasad Rao	89.90	79.78
Repayment of unsecured loans		
Dr. A.N.Gupta	400.27	-
Dr. Kailash Gupta	118.78	-
Sitting fees		
Dr. A.N.Gupta	2.58	1.40
Dr. Kailash Gupta	1.68	1.63
Mr. Anil Kumar Mehta	1.08	2.33
Mr. P.R. Tripathi	1.08	1.92
Mr. K. Rama Rao	1.07	1.82
Dr.A.Venkataraman	0.45	1.13
Mr.P.R.Kumar	2.17	0.67
Mrs. Shonika Prasad	1.12	1.13
Dr.Gnana Sekaran Venkata Swamy	1.20	-
Dr.Kumuda Raghavan	1.00	-
Dr.Narendra Kumar Nanda	1.20	-
Mr.Seshagiri Rao Cittavarjula	1.50	-
Purchase of land		
Dr. A.N.Gupta	-	162.00
Rent paid		
Premier Wire Products Limited	1.19	1.19
Interest income		
PEL NEXT Defence Systems Private Limited	0.29	0.28
Reimbursement of expenses		
Premier Wire Products Limited	0.91	0.96
PEL NEXT Defence Systems Private Limited	0.02	-
Dividend paid		
Dr. A.N.Gupta	65.50	44.54
Dr. Kailash Gupta	29.19	19.85
A.N Gupta (HUF)	16.42	11.16
Investments Made		

*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 8.95% per annum.

(iii) All outstanding balances are unsecured and repayable in cash.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

39 Donation to political parties

	For the year ended March 31, 2025	For the year ended March 31, 2024
Communist party of India	1.00	1.00
	1.00	**1.00**

40 Earnings per share (EPS)

		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Basic & Diluted EPS (Rs.)**		
	Earnings per share attributable to the equity holders of the company	5.31	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	2,855.26	2,812.15
(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 (Refer Note Below)	5,37,61,195	5,37,61,195
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,37,61,195	5,37,61,195

Note: Previous year numbers are adjusted for shares splits during the current year (Refer note 14(v))

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, 2025	As at March 31, 2024
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	13,937.18	10,189.79
Non financial assets	17,985.10	13,273.11
Collateral security		
non-current assets		
Non financial assets	19,352.72	19,388.33
Towards current borrowings	**51,275.00**	**42,851.23**
Non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	19,352.72	19,388.33
Collateral security		
Current assets		
Financial assets	13,932.80	10,185.67
Non financial assets	17,985.10	13,273.11
Towards non-current borrowings	**51,270.62**	**42,847.11**

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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 transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) 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)

(vi) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

(vii) The Company has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.

(viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

43 Ratios to be disclosed

	Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Change in Ratio
a)	Current ratio(in times)	Current Assets	Current Liabilities	1.26	1.25	1%
b)	Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.18	0.30	-39%
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	3.00	4.32	-31%
d)	Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	12%	14%	-1%
e)	Inventory turnover ratio(in times)	Sale of Products	Average Inventory	3.22	2.91	11%
f)	Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	7.54	4.30	75%
g)	Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	4.57	7.50	-39%
h)	Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	6.32	5.87	8%
i)	Net profit ratio(in %)	Profit after tax	Revenue from operations	6.84%	10.35%	-4%
j)	Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	14.66%	15.00%	0%

Reasons for Variance:

Debt-Equity Ratio: Change is on account of decrease in debt during the year.

Debt Service Coverage Ratio: Change on account of decrease in earnings available debt service during the year

Trade receivables turnover ratio: Change is on account of increase in Revenue during the year.

Trade Payables Turnover Ratio: Change is on account of increase in Raw Material purchases during the year.

(All amounts in INR lakhs, unless otherwise stated)

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 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.

(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.

45 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, 2025	As at March 31, 2024
On Equity Shares of Rs.10/- each		
Proposed dividend*	268.81	268.81
Proposed dividend per equity share in Rupees	0.50	2.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

(ii) Fire Accident

On April 29, 2025 , a Major Fire Accident occurred at propellant mixing building of Company's factory situated at Katepally Village, Motakondur Mandal, Yadadri-Bhongir District, Telangana. causing significant damage to property, plant and equipment located at incedent which have been appropriately insured and management has initiated insurance claims. Company also received a closure order of the above plant from the Telangana pollution control board to stop industrial activities, Management taking all necessary recourse with the department to get back their consent to start the operations. The extent of the financial impact is currently under assessment. Preliminary estimates suggest its impact on respective plant's operations and delivery schedules, however, it is not expected to affect the Company's ability to continue as a going concern.

The incident occurred after the end of the reporting period and therefore does not reflect conditions that existed at the reporting date of March 31, 2025 .As this event did not exist at the reporting date and does not provide evidence of conditions that existed at that time, no adjustments have been made to the financial statements. This event is disclosed as a non-adjusting subsequent event in accordance with Ind AS 10 – Events after the Reporting Period .

46 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: 015975S

Kiran Kumar Majeti
Partner
Membership number: 220354

Place: Secunderabad
Date: May 22, 2025

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

K. Jhansi Laxmi
Company Secretary

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 comprise the Consolidated Balance Sheet as at March 31, 2025, 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 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, 2025, 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, 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 9 to the consolidated financial statements, 23.30% of the trade receivables of the parent company 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 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.	**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, 2025. • 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.

S. No	Key Audit Matter (Standalone)	Auditor's Response
	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, 2025 – Rs. 3807.81 lakhs – which is near to 26.34% of total financial assets)	The assessment of the appropriateness of the ECL allowance for trade receivables comprised of audit procedures including: 1. We assessed management's ECL impairment model consistent with the requirements of IND AS 109; 2. We tested the mathematical accuracy of Management's ECL impairment model; 3. We agreed the data utilised in Management's ECL impairment model at March 31, 2025 to receivables aging report, calculations and other audited information; 4. 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.
2	**Revenue Recognition** (as described in note 2.5 of the standalone financial statements) Revenue from the sale of goods includes estimation of variable consideration on account of powder factor which is based on the agreement with the customer and, the volume of output achieved at the site, which is measured at a later date when the product is actually used by the customer. Accordingly, the deduction is made on current sales based on estimates made from technical evaluation and historical data associated with such services for the likely powder factor. There is substantial time gap between the provision made by the Company and the determination of the actual of powder factor deduction by the customer. This is considered a key audit matter because it involves significant judgment and estimation to determine the percentage of blast output achieved. The settlement of this percentage will occur in the future based on the terms of the contract and mutual agreement.	**Principal audit procedures performed:** • Evaluated the Company's accounting policies related to revenue recognition and assessed their compliance with Ind AS 115 (Revenue from Contracts with Customers). • Reviewing the relevant correspondence with customers to validate the terms related to the powder factor for prior periods. • Assessed the key management assumptions and judgments related to various parameters used for measuring and estimating the amount of powder factor provisions. • Evaluated the historical trend against the actual powder factor deductions. Assessed and read the disclosures made by the Company in the standalone financial statements.

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 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 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 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 are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 are also responsible for overseeing the financial reporting process of the Group.

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 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 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 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.

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 Rs.701.53 Lakhs as at March 31, 2025, total income of Rs.29.19 Lakhs total net profit after tax and total comprehensive income of Rs. 18.07 lakhs and net cash outflows amounting to Rs.3.01 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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 our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

PELNEXT Defence Systems Private Limited

One of the Subsidiary has incurred a loss before tax of Rs.0.91 lakhs during the year ended 31st March 2025 and the company has negative other equity of Rs. 6.83 lakhs as at 31st March, 2025. Further, owing to the negative other equity as at 31st March, 2025 the Company's net worth is eroded completely and the current liabilities exceed its current assets by Rs. 5.83 lakhs as at 31st March, 2025. 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 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, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2025 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 companies. 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 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:

        i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, (Refer Note no 32 to the consolidated financial statements).

        ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, Group does not have any derivative contracts.

        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of 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, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of 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.;

(c) 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 45 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) Based on our examination, which included test checks, the holding Company and its subsidiaries has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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: 015975S

Kiran Kumar Majeti
Partner
Membership No: 220354BMOFXZ9264

Place: Hyderabad
Date: May 22, 2025

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, 2025, 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, 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, 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, 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, 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, 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, 2025, 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: 015975S

Kiran Kumar Majeti
Partner
Membership No: 220354BMOFXZ9264

Place: Hyderabad
Date: May 22, 2025

Consolidated Balance Sheet
as at March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

Particulars				Note	As at March 31, 2025	As at March 31, 2024
	ASSETS					
I	**Non-current assets**					
	(a)	Property, plant and equipment		3(a)	19,246.75	19,256.88
	(b)	Capital work-in-progress		3(a)	284.73	309.37
	(c)	Right -of- use assets		3(b)	86.60	79.47
	(d)	Investment property		4	8.02	8.02
	(e)	Intangible assets		5	615.02	690.41
	(f)	Income tax asset (net)		6	1.14	2.86
	(g)	Other non-current assets		7(i)	645.24	375.61
	Total Non-current assets				**20,887.50**	**20,722.62**
II	**Current assets**					
	(a)	Inventories		8	15,349.46	8,787.01
	(b)	Financial assets				
		(i)	Trade receivables	9	3,807.81	7,265.33
		(ii)	Cash and cash equivalents	10	9,315.19	2,019.73
		(iii)	Bank balances other than (ii) above	11	815.75	904.67
	(c)	Other current assets		7(ii)	2,655.62	4,493.52
	Total Current assets				**31,943.83**	**23,470.26**
	TOTAL ASSETS				**52,831.33**	**44,192.88**
	EQUITY AND LIABILITIES					
III	**Equity**					
	(a)	Equity share capital		12	1,075.22	1,075.22
	(b)	Other equity			23,505.15	20,942.06
	Equity attributable to equity share holders of parent				**24,580.37**	**22,017.28**
	Non controlling interest				135.31	131.51
	Total Equity				**24,715.68**	**22,148.79**
	LIABILITIES					
IV	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	13(i)	750.00	1,250.00
		(ii)	Other financial liabilities	14(i)	7.65	7.65
	(b)	Provisions		15(i)	1,060.55	983.69
	(c)	Deferred tax liabilities (net)		16	1,378.84	1,390.65
	Total Non-current liabilities				**3,197.04**	**3,631.99**
V	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	13(ii)	3,314.91	4,899.38
		(ii)	Trade payables:			
			- dues to micro and small enterprises (Refer note: 34)		566.05	527.41
			- dues to others		11,091.95	1,030.46
		(iii)	Other financial liabilities	14(ii)	2,150.30	1,330.78
	(b)	Other current liabilities		17	7,313.40	9,964.71
	(c)	Provisions		15(ii)	179.14	153.88
	(d)	Current tax liabilities (net)		18	302.86	505.48
	Total current liabilities				**24,918.61**	**18,412.10**
	Total liabilities				**28,115.65**	**22,044.09**
	TOTAL EQUITY AND LIABILITIES				**52,831.33**	**44,192.88**

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: 015975S

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Place: Secunderabad
Date: May 22, 2025

Consolidated Statement of Profit and Loss
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I	Revenue from operations	19	41,745.23	27,171.67
II	Other income	20	211.32	414.86
III	**Total income (I+II)**		**41,956.55**	**27,586.53**
IV	**Expenses**			
	Cost of materials consumed	21	26,820.08	10,070.70
	Purchases of stock in trade		160.95	227.92
	Changes in inventories of finished goods, work-in-progress and scrap	22	(3,092.33)	770.24
	Employee benefits expense	23	6,192.83	5,749.24
	Finance costs	24	1,081.63	1,050.39
	Depreciation and amortization expense	25	1,147.42	1,151.69
	Research and development expenses	26	43.86	39.25
	Other expenses	27	5,822.25	4,465.36
	Total expenses (IV)		**38,176.69**	**23,524.79**
V	**Profit before tax and before share of (loss) of investments accounted through equity method (III-IV)**		**3,779.86**	**4,061.74**
VI	**Share of (loss) from joint venture accounted through equity method**		-	-
VII	**Profit before tax (V-VI)**		**3,779.86**	**4,061.74**
VIII	**Tax expense**			
	Current tax	28	902.88	647.00
	Deferred tax	28	3.65	572.98
	Total tax expense		**906.53**	**1,219.98**
IX	**Profit for the year (VII-VIII)**		**2,873.33**	**2,841.76**
X	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of post-employment benefit obligations	23D	(53.09)	(152.66)
	Income tax relating to above		15.46	44.45
	Other comprehensive income after tax for the year (X)		**(37.63)**	**(108.21)**
XI	**Total comprehensive income for the year (IX+X)**		**2,835.70**	**2,733.55**
	Earnings/(Loss) attributable to :			
	(a) Owners of Premier Explosives Limited		2,869.53	2,835.66
	(b) Non-controlling interest		3.80	6.10
			2,873.33	**2,841.76**
	Other comprehensive income			
	(a) Owners of Premier Explosives Limited		(37.63)	(108.21)
	(b) Non-controlling interest		-	-
	Total comprehensive income for the year		**(37.63)**	**(108.21)**
	(a) Owners of Premier Explosives Limited		2,831.90	2,727.45
	(b) Non-controlling interest		3.80	6.10
			2,835.70	**2,733.55**
	Earnings per share (par value of Rs.2 each)			
	Basic	40	5.34	5.27
	Diluted	40	5.34	5.27

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: 015975S

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Place: Secunderabad
Date: May 22, 2025

Consolidated Statement of Changes in Equity
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

Issued, subscribed and paid up equity shares	Note No.	No of Shares	Amount
As at April 01, 2023		1,07,52,239	1,075.22
Change during the year		-	-
As at March 31, 2024		**1,07,52,239**	**1,075.22**
Change during the year (Refer Note 14(v))		4,30,08,956	-
As at March 31, 2025	**12**	**5,37,61,195**	**1,075.22**

B Other Equity

	Attributable to Equity holders of Parent						Non-controlling interest	Total
	Reserves & surplus				Other comprehensive income	Total other equity		
	Capital reserve	Securities premium	General reserve	Retained earnings				
Balance as at April 1, 2023	**21.34**	**7,724.08**	**1,701.20**	**9,296.06**	**(345.28)**	**18,397.40**	**125.41**	**18,522.81**
(Loss) for the year	-	-	-	2,835.66	-	2,835.66	6.10	2,841.76
Remeasurements of defined benefit plan, net of income tax	-	-	-		(108.21)	(108.21)	-	(108.21)
Total comprehensive income for the year	**-**	**-**	**-**	**2,835.66**	**(108.21)**	**2,727.45**	**6.10**	**2,733.55**
Transactions with owners in their capacity as owners								
Dividend (including tax on dividend)	-	-	-	(182.79)	-	(182.79)	-	(182.79)
	-	**-**	**-**	**2,652.87**	**(108.21)**	**2,544.66**	**6.10**	**2,550.76**
Balance as at March 31, 2024	**21.34**	**7,724.08**	**1,701.20**	**11,948.93**	**(453.49)**	**20,942.06**	**131.51**	**21,073.57**
Balance as at April 1, 2024	**21.34**	**7,724.08**	**1,701.20**	**11,948.93**	**(453.49)**	**20,942.06**	**131.51**	**21,073.57**
Profit for the year	-	-	-	2,869.53	-	2,869.53	3.80	2,873.33
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(37.63)	(37.63)	-	(37.63)
Total comprehensive income for the year	**-**	**-**	**-**	**2,869.53**	**(37.63)**	**2,831.90**	**3.80**	**2,835.70**
Transactions with owners in their capacity as owners								
Dividend	-	-	-	(268.81)	-	(268.81)	-	(268.81)
Balance as at March 31, 2025	**21.34**	**7,724.08**	**1,701.20**	**14,549.65**	**(491.12)**	**23,505.15**	**135.31**	**23,640.46**

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 Rs. 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.

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: 015975S

Kiran Kumar Majeti
Partner
Membership number: 220354

Place: Secunderabad
Date: May 22, 2025

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Consolidated Statement of Cash Flows
for the year ended March 31, 2025

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	**Cash flow from operating activities**		
	Profit before tax	3,779.86	4,061.74
	Adjustments for:		
	Depreciation and amortisation expense	1,147.42	1,151.69
	Unrealised foreign exchange gain(net)	(157.44)	(15.29)
	Provision for Expected credit loss	389.66	69.54
	Excess liabilities written back	-	(1.35)
	Bad debts written off	9.64	305.99
	Interest income	(137.86)	(53.38)
	Book deficit on assets discarded	16.09	2.41
	Finance costs	1,081.63	1,050.39
	Credit balances written back	(0.20)	(12.98)
	(Profit)/ Loss on sale of Property, Plant and Equipment	0.13	(0.28)
	Operating cash flow before working capital changes	**6,128.93**	**6,558.48**
	Adjustments for		
	Trade receivables, financial assets and other assets	4,817.78	(4,984.71)
	Inventories	(6,562.45)	(813.00)
	Trade payables, other liabilities and provisions	8,567.32	7,218.69
	Cash generated from operating activities	**12,951.58**	**7,979.46**
	Income tax (paid)/ Refund	(1,103.78)	(83.85)
	Net cash generated from operating activities	**11,847.80**	**7,895.61**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,341.79)	(2,339.28)
	Proceeds from disposal /sale of property, plant and equipment	0.44	1.16
	Redemption in bank deposits (having original maturity of more than three months) (Net)	78.29	(238.03)
	Interest received	145.63	47.03
	Net cash inflow / (outflow) from investing activities (B)	**(1,117.43)**	**(2,529.12)**
C	**Cash flows from financing activities**		
	Proceeds/(repayment) of Long term borrowing (net)	(728.79)	1,470.86
	Proceeds/(repayment) of short-term borrowings (net)	(1,351.72)	(3,618.90)
	Interest paid	(1,085.59)	(1,053.34)
	Dividend	(268.81)	(182.79)
	Net cash inflow / (outflow) from financing activities (C)	**(3,434.91)**	**(3,384.17)**
D	**Net increase (decrease) in cash and cash equivalents**	7,295.46	1,982.32
	Cash and cash equivalents at the beginning of the year	2,019.73	37.41
E	**Cash and cash equivalents at end of the year**	**9,315.19**	**2,019.73**
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: 10)	9,315.19	2,019.73
	Balance as per statement of cash flows	**9,315.19**	**2,019.73**

The accompanying notes are an integral part of the financial statements

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.

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: 015975S

Kiran Kumar Majeti
Partner
Membership number: 220354

Place: Secunderabad
Date: May 22, 2025

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Notes to the financial statements for the year ended March 31, 2025

(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 22, 2025.

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 (CODM) as defined under IND AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

The 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 31,2025.

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, 2025.

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 Foreign currencies Transactions and Translation

(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: 23(a)(ii)]
- Estimation of expected credit loss on financial assets [refer note: 30(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 19]

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 Rs. 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.

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 12month 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 it 's 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

(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.

2.14 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 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 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 measures 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statement.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

3 (a) Property, plant and equipment

Particulars	Freehold Land	Freehold Building	Plant and Machinery: Plant and Machinery	Plant and Machinery: Research and development equipment	Furniture, fittings and equipment	Vehicles	Data processing Equipment	Total	Capital work-in-progress
Year ended March 31, 2024									
Gross carrying amount									
Opening 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
Additions	236.96	40.91	1,584.58	-	14.57	37.21	12.54	1,926.77	1,664.30
Assets classified as held for sale	185.94	-	-	-	-	-	-	185.94	
Disposals	-	-	(16.02)	-	(2.46)	(6.77)	(0.24)	(25.49)	(1,536.43)
Closing gross carrying amount	7,104.98	7,447.70	10,394.19	337.34	265.41	237.78	123.73	25,911.13	309.37
Accumulated depreciation									
Opening accumulated depreciation	-	1,477.81	3,603.20	183.47	185.46	135.55	83.46	5,668.95	-
Depreciation charge during the year	-	356.81	570.34	24.59	14.53	28.47	12.76	1,007.50	-
Disposals	-	-	(13.74)	-	(2.35)	(5.88)	(0.23)	(22.20)	-
Closing accumulated depreciation	-	1,834.62	4,159.80	208.06	197.64	158.14	95.99	6,654.25	-
Net carrying amount as at March 31, 2024	**7,104.98**	**5,613.08**	**6,234.39**	**129.28**	**67.77**	**79.64**	**27.74**	**19,256.88**	**309.37**
Year ended March 31, 2025									
Gross carrying amount									
Opening Gross carrying amount	7,104.98	7,447.70	10,394.19	337.34	265.41	237.78	123.73	25,911.13	309.37
Additions	94.41	302.03	567.48	-	17.36	8.98	6.16	996.42	559.66
Assets reclassified from asset held for sale								-	-
Disposals/discarded		(31.69)			(0.44)	(20.64)		(52.77)	(584.30)
Closing gross carrying amount	7,199.39	7,718.04	10,961.67	337.34	282.33	226.12	129.89	26,854.78	284.73
Accumulated depreciation									
Opening accumulated depreciation	-	1,834.62	4,159.80	208.06	197.64	158.14	95.99	6,654.25	-
Depreciation charge during the year	-	291.07	629.95	23.19	15.68	17.93	12.06	989.88	
Disposals/discarded	-	(16.10)	-	-	(0.39)	(19.61)	-	(36.10)	
Closing accumulated depreciation	-	2,109.59	4,789.75	231.25	212.93	156.46	108.05	7,608.03	-
Net carrying amount as at March 31, 2025	**7,199.39**	**5,608.45**	**6,171.92**	**106.09**	**69.40**	**69.66**	**21.84**	**19,246.75**	**284.73**

Notes to Property, plant and equipment

1) Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment

2) Refer note 41 for information on property, plant and equipment provided as security by the parent company

3) The Group has not revalued its property plant and equipment during the year

4) Aging of capital work-in-progress as at March 31,2025

	Amount in capital work-in-progress for: Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(a) Projects in Progress	276.96	7.77	-	-	284.73
(b) Projects temporarily Suspended	-	-	-	-	-
	276.96	7.77	-	-	284.73

4) Aging of capital work-in-progress as at March 31,2024

	Amount in capital work-in-progress for: Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(a) Projects in Progress	309.37	-	-	-	309.37
(b) Projects temporarily Suspended	-	-	-	-	-
	309.37	-	-	-	309.37

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2024-25 and 2023-24 and also cost not exceeded as compared to its original plan

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

3(b) Right -of -use asset

	As at March 31, 2025	As at March 31, 2024
Land (Gross Carrying value)	85.16	80.16
Additions	8.00	5.00
Opening accumulated deprecation	(5.69)	(4.85)
Depreciations	(0.87)	(0.84)
Closing carrying value	**86.60**	**79.47**

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

The Parent company has not revalued its Right -of -use assets during the year

4 (a) Investment property

	As at March 31, 2025	As at March 31, 2024
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 Rs. 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations. (Pricing model approach Level 3)

5 Intangible assets

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	162.18	1,108.94
Additions	-	-	126.60	126.60
Closing gross carrying amount	55.58	891.18	288.78	1,235.54
Accumulated amortisation				
Opening accumulated amortisation	48.97	317.61	35.20	401.78
Amortisation charge during the year	0.50	97.48	45.37	143.35
Closing accumulated amortisation	49.47	415.09	80.57	545.13
Net carrying amount as at March 31, 2024	**6.11**	**476.09**	**208.21**	**690.41**
Year ended March 31, 2025				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	288.78	1,235.54
Additions	0.56	80.72	-	81.28
Closing gross carrying amount	56.14	971.90	288.78	1,316.82
Accumulated amortisation				
Opening accumulated amortization	49.47	415.09	80.57	545.13
Amortisation charge during the year	0.22	98.70	57.75	156.67
Closing accumulated amortisation	49.69	513.79	138.32	701.80
Net carrying amount as at March 31, 2025	**6.45**	**458.11**	**150.46**	**615.02**

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

The parent company has not revalued its Intangible assets during the year

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

6 Income tax assets (net)

(i) Non current

	As at March 31, 2025	As at March 31, 2024
Prepaid income tax (Net of provision for income tax 1.65 Lakhs, Previous year: Nil)	1.14	2.86
Total Income tax assets (net)	**1.14**	**2.86**

7 Other assets

(i) Non-current

	As at March 31, 2025	As at March 31, 2024
Capital advances	403.61	182.08
Advances other than capital advances:		
Security deposits	220.63	148.63
Pre-paid expenses	16.10	44.90
Share Application Money	4.90	-
Total other non-current assets	**645.24**	**375.61**

(ii) Current

	As at March 31, 2025	As at March 31, 2024
Balances with government authorities	1,207.52	428.96
Prepaid expenses	157.15	275.54
Advances to suppliers	1,065.61	3,650.83
Other receivables	225.34	138.19
Total other current assets	**2,655.62**	**4,493.52**

8 Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2025	As at March 31, 2024
Raw materials	8,026.15	4,648.55
Work-in-progress	6,024.82	3,342.94
Finished goods	650.58	239.93
Stores and spares	647.09	554.57
Scrap (at net realisable value)	0.82	1.02
Total inventories	**15,349.46**	**8,787.01**
Raw materials includes stock in transit of	-	45.98

Note 8 (a): Refer note 41 for information on inventories provided as security by the parent company.

Note 8 (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 8 (c): During the year 2024-25, the holding company has recognised an amount of ₹ 15.23 Lakh towards provision for obsolete stock

(All amounts in INR lakhs, unless otherwise stated)

9 Trade receivables

(i) Current

	As at March 31, 2025	As at March 31, 2024
Trade receivables from contract with customers - Billed	4,191.11	7,183.26
Trade receivables from contract with customers - Unbilled	138.50	214.21
Less: Provision for expected credit loss (Refer note:30(A))	521.80	132.14
Total trade receivables	**3,807.81**	**7,265.33**

9(a) Refer note 41 for information on trade receivables provided as security by the parent company.

9 (b) Breakup of security details:

	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	4,329.61	7,397.47
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	4,329.61	**7,397.47**
Less: Provision for expected credit loss (Refer note:30(A))	521.80	132.14
Balance at the end of the year	**3,807.81**	**7,265.33**

9(c) Trade Receivables ageing as at March 31, 2025

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	Total
Undisputed							
- Considered good	2,701.88	740.37	-	575.62	123.87	187.87	4,329.61
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good							-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							521.80
Total trade receivables							**3,807.81**

9(d) Trade Receivables ageing as at March 31, 2024

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	Total
Undisputed							
- Considered good	5,186.99	1,309.39	317.67	367.65	57.56	158.21	7,397.47
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							132.14
Total trade receivables							**7265.33**

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

10 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks *		
in Current accounts	2,377.07	16.80
Deposits with banks with original maturity is less than three months	6,935.99	2,000.54
Cash on hand	2.13	2.39
Total cash and cash equivalents	**9,315.19**	**2,019.73**

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

11 Bank balances other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks	10.74	13.60
Deposits with original maturity over 3 months but less than 12 months	9.11	8.66
Margin money deposits with banks	795.90	882.41
Total bank balances other than cash and cash equivalents	**815.75**	**904.67**

* Earmarked balances represent unpaid dividend.

12 Equity share capital

Movement of equity share capital during the year

Authorised :

(Face value) #	Number of shares	Amount
As at April 01, 2023	1,50,00,000	1,500.00
Change during the year		-
As at March 31, 2024	**1,50,00,000**	**1,500.00**
Change during the year (Refer Note14 (v))	6,00,00,000	-
As at March 31, 2025	**7,50,00,000**	**1,500.00**
Issued, Subscribed and paid up :		
(Face value) #	**Number of shares**	**Amount**
As at April 01, 2023	1,07,52,239	1,075.22
Change during the year	-	-
As at March 31, 2024	**1,07,52,239**	**1,075.22**
Change during the year	4,30,08,956	-
As at March 31, 2025	**5,37,61,195**	**1,075.22**

#(face value of each Rs 2/- w.e.f from 21st june,2024), Face value of Rs.10 each upto 21st June 2024.

(iii) Details of shareholders holding more than 5% of issued share capital

	As at March 31, 2025		As at March 31, 2024	
	Number of shares (Face Value ₹ 2)	% holding	Number of shares (Face Value ₹ 10)	% holding
Dr. A.N.Gupta	1,31,00,915	24.37%	26,20,183	24.37%
Dr. (Mrs.) Kailash Gupta	58,37,335	10.86%	11,67,467	10.86%
A. N. Gupta (HUF)	32,83,485	6.11%	6,56,697	6.11%
HDFC Trustee Company Limited-HDFC Infrastructure	43,13,389	8.02%	9,97,803	9.28%

(All amounts in INR lakhs, unless otherwise stated)

(iv) Disclosure of Shareholding of Promoters

Promoter name		As at March 31, 2025		% Change during the year	As at March 31, 2024		% Change during the year
		Number of shares (Face Value ₹ 2)	% of total shares		Number of shares (Face Value ₹ 10)	% of total shares	
1)	Dr. A.N.Gupta	1,31,00,915	24.37%	0.00%	26,20,183	24.37%	0.00%
2)	Dr. (Mrs.) Kailash Gupta	58,37,335	10.86%	0.00%	11,67,467	10.86%	0.00%
3)	A. N. Gupta (HUF)	32,83,485	6.11%	0.00%	6,56,697	6.11%	0.00%

(v) Sub-division/Split of Equty share:-

Pursuant to the approval of the shareholders of the holding company through postal ballot, one equity share of Rs. 10/- each fully paid up was subdivided/split into five equity share of Rs. 2/- each with effect from June 21, 2024.

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting 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.

13 Borrowings

(i) Non-current

	As at March 31, 2025	As at March 31, 2024
Term Loans:		
Secured -At Amortised Cost		
From Banks	1,250.00	1,978.79
Less: Current maturities of long-term debt	(500.00)	(728.79)
Total non-current borrowings	**750.00**	**1,250.00**

Note 13 (a): Above secured term loans are secured by first charge on the Non current assets of the holding company and second charge on current assets of the parent company and personal guarantee by Managing Director of the parent company.

Note 13 (b): **Repayment terms**: Secured term loan comprises of 10 quarterly installment of Rs. 125.00 Lakhs carries interest rate of 10.75% as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2025	As at March 31, 2024
Payable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	9.70 to 10.45	1,986.56	2,000.79
Buyers credit from bank	7.56 to 8.33	-	442.87
Packing Credit	4.5 to 7.00	-	332.00
Current maturities of long-term borrowings	10.75%	500.00	728.79
Interest accrued but not due		-	3.96
Unsecured -At Amortised Cost			
Loans from related parties (Refer note :40)	7 to 9.70	-	519.05
Loan from Banks	8.95 to 9.95	828.35	871.92
Total current borrowings		**3,314.91**	**4,899.38**

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

13(c) Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of parent's stocks, receivables, other current assets, and fixed assets of the parent company and personal guarantee of managing director of the company.

13 (d) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

14 Other financial liabilities

i) non-current

	As at March 31, 2025	As at March 31, 2024
Dealership deposits	1.20	1.20
Earnest money deposit	6.45	6.45
	7.65	**7.65**

(ii) Current

	As at March 31, 2025	As at March 31, 2024
Unclaimed dividend (Refer note : 14.1)	10.74	13.60
Capital creditors	53.44	112.64
Employee benefits payable	680.06	482.82
Creditors for expenses (Refer note : 14.2)	1,406.06	721.72
Total other financial liabilities	**2,150.30**	**1,330.78**

Note 14.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 14.2 : Creditors for expenses Consists no dues in respect of micro and small enterprises. (refer Note no 34).

15 Provisions

	As at March 31, 2025	As at March 31, 2024
Employee benefit obligations		
(i) non-current		
Gratuity (Refer note: 23(a))	836.25	782.88
Leave encashment	224.30	200.81
Total non-current provisions	**1,060.55**	**983.69**
(ii) Current		
Gratuity (Refer note: 23(a))	100.38	79.62
Leave encashment	78.76	74.26
Total current provisions	**179.14**	**153.88**

(All amounts in INR lakhs, unless otherwise stated)

16 Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2025	As at March 31, 2024
Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,044.66	2,297.85
MAT credit entitlement	(3.00)	(481.80)
Expenses allowable on the basis of payment	(510.87)	(386.92)
Carry forwarded Losses	-	-
Provision for expected credit losses	(151.95)	(38.48)
Deferred tax (assets) / liabilities (net)	**1,378.84**	**1,390.65**

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Provision for expected credit losses	Carry forwarded Losses	MAT credit entitlement	Expenses allowable on the basis of payment	Total
As at April 01, 2023	2,103.51	(163.87)	(656.69)	(83.74)	(337.08)	862.13
Charged/(credited)						
- to profit or loss	194.34	125.39	656.69	(398.06)	(5.39)	572.97
- to other comprehensive income	-	-	-	-	(44.45)	(44.45)
As at March 31, 2024	**2,297.85**	**(38.48)**	**-**	**(481.80)**	**(386.92)**	**1,390.65**
Charged / (credited)						
- to profit or loss	(253.19)	(113.47)	-	478.80	(108.49)	3.65
- to other comprehensive income	-	-	-	-	(15.46)	(15.46)
As at March 31, 2025	**2,044.66**	**(151.95)**	**-**	**(3.00)**	**(510.87)**	**1,378.84**

17 Other Current Liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory taxes payable	70.71	62.79
Advance from customers	7,242.69	9,901.92
Total other current liabilities	**7,313.40**	**9,964.71**

18 Current tax liabilities (net)

	As at March 31, 2025	As at March 31, 2024
Provision for taxation(Net of Prepaid taxes Rs. 566.95 Lakhs ; Previous Year Rs. 1744.00 Lakhs)	294.01	496.63
Provision for interest on income tax	8.85	8.85
Total current tax liabilities (net)	**302.86**	**505.48**

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

19 Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
- Sale of products	38,844.07	24,387.83
- Sale of traded goods	160.75	227.87
- Sale of services	2,622.00	2,422.80
	41,626.82	**27,038.50**
Other operating revenue	118.41	133.17
Total revenue from operations	**41,745.23**	**27,171.67**

Disaggregation of revenue from contracts with customers

The group derives revenue from transfer of goods and services from the following geographical locations.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Geographical location		
- India	33,897.22	20,192.90
- Other countries	7,848.01	6,978.77
Total	**41,745.23**	**27,171.67**

Information about major customers:

One customers represents 10% or more of the Group's total revenue during the year ended March 31, 2025 and three customer represents 10% or more of the Groups' total revenue during the year ended March 31, 2024.

Contract Price Reconciliation

	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract Price	46,061.49	27,782.23
Less: Variable consideration	4,316.26	610.56
	41,745.23	**27,171.67**

20 Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets at amortised cost	137.86	53.38
Profit on disposal of Property, Plant & Equipment	-	0.28
Net gain on foreign currency transactions and translations	-	59.46
Excess liabilities written back	-	1.35
Credit balances written back	0.20	12.98
Other non-operating income	73.26	287.41
Total other income	**211.32**	**414.86**

(All amounts in INR lakhs, unless otherwise stated)

21 Cost of raw materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials at the beginning of the year	4,648.55	3,049.16
Add: Purchases	30,197.68	11,764.09
Less: Insurance claims received	-	94.00
Less: Raw materials at the end of the year	8,026.15	4,648.55
Total cost of raw materials consumed	**26,820.08**	**10,070.70**

22 Changes in inventories of finished goods, work-in-progress and scrap

	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance:		
Finished goods	239.93	1,100.81
Work-in-progress	3,342.94	3,251.55
Scrap	1.02	1.77
	3,583.89	**4,354.13**
Closing Balance:		
Finished goods	650.58	239.93
Work-in-progress	6,024.82	3,342.94
Scrap	0.82	1.02
	6,676.22	**3,583.89**
Total changes in inventories of finished goods, work-in-progress and scrap	**(3,092.33)**	**770.24**

23 Employee benefits expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages, bonus and other allowances	5,550.26	5,189.85
Contribution to provident fund and other funds	337.40	314.54
Contribution to ESI	10.92	13.14
Staff welfare expenses	294.25	231.71
Total employee benefits expense	**6,192.83**	**5,749.24**

23(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.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund	196.59	193.35
Employer's contribution to ESI	10.92	13.14

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The Holding 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 Holding 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

A) Reconciliation of opening and closing balances of defined benefit obligation

	Gratuity (funded)	
	As at March 31, 2025	**As at March 31, 2024**
Defined benefit obligation at beginning of the year	1,392.95	1,185.09
Current service cost	82.54	77.15
Interest cost	97.03	84.63
Actuarial (gain) / loss	55.38	153.48
Benefits paid	(113.04)	(107.40)
Defined benefit obligation at year end	1,514.86	1,392.95

B) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (funded)	
	As at March 31, 2025	**As at March 31, 2024**
Fair value of plan assets at beginning of year	530.45	595.95
Expected return on plan assets	38.76	40.58
Actuarial (gain) / loss	2.29	0.82
Employer's contribution	119.77	0.50
Benefits paid	(113.04)	(107.40)
Fair value of plan assets at year end	578.23	530.45

C) Reconciliation of fair value of assets and obligations

	As at March 31, 2025	**As at March 31, 2024**
Fair value of plan assets	578.23	530.45
Present value of obligation	1,514.86	1,392.95
Amount recognised in balance sheet, surplus/(deficit)	**(936.63)**	**(862.50)**

(All amounts in INR lakhs, unless otherwise stated)

D) Expenses recognised during the year

	Gratuity (funded)	
	For the year ended March 31, 2025	**For the year ended March 31, 2024**
In income statement		
Current service cost	82.54	77.15
Interest cost	97.03	84.63
Return on plan assets	(38.76)	(40.58)
Net cost	**140.81**	**121.20**
In other comprehensive income		
Actuarial (gain) / loss	(53.09)	(152.66)
Net (income) / expense for the year recognised in OCI	**193.90**	**273.86**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2025	**As at March 31, 2024**
Discount rate	6.79%	7.26%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	14.90	15.28
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2025	**As at March 31, 2024**
Defined benefit obligation	1,514.86	1,392.95
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	1,427.68	1,309.21
Decrease: -1%	1,612.15	1,486.28
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,622.76	1,496.54
Decrease: -1%	1,416.74	1,298.73
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,529.23	1,409.36
Decrease: -1%	1,499.00	1,374.90

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.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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 7.00 years (March 31, 2024:7.00 years). The expected cash flows over the years is as follows:

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation - gratuity		
Less than a year	102.27	80.97
Between 2-5 years	840.52	665.92
Over 6 years	1,549.92	1,677.39

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.

24 Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost	661.09	694.56
Other borrowing costs	420.54	355.83
Total Finance costs	**1,081.63**	**1,050.39**

25 Depreciation and amortisation expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment	989.88	1,007.50
Depreciation of right-of-use assets	0.87	0.84
Amortisation of intangible assets	156.67	143.35
Total depreciation and amortisation expense	**1,147.42**	**1,151.69**

26 Research and development expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials consumed	3.99	6.12
Salaries, wages, bonus and other allowances	39.01	32.27
Contribution to provident and other funds	0.86	0.86
Total Research and development expenses	**43.86**	**39.25**

(All amounts in INR lakhs, unless otherwise stated)

27 Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts	243.47	195.24
Consumption of packing materials	731.49	439.56
Power and fuel	380.51	384.65
Repairs and maintenance		
- Plant and machinery	509.85	423.13
- Buildings	60.08	67.28
- Others	165.45	148.76
Insurance	122.14	100.90
Rent	30.95	15.24
Rates and taxes, excluding taxes on income	65.98	64.35
Legal and professional charges	175.57	114.86
Directors sitting fees	16.13	12.03
Travelling and conveyance	365.86	322.87
Sales commission	526.68	463.89
Carriage outward	305.01	405.28
Other selling expenses	611.11	448.64
Payments to auditors (refer note 27 (a))	27.05	25.52
Book deficit on assets discarded	16.09	2.41
Net bad Debts Written off	9.64	305.99
Provision for Expected credit loss	389.66	69.54
Provision for doubtfull adavances	82.00	-
Provision for expected loss on long term contracts (Refer Note no 27(c))	500.00	-
Donations	4.90	3.16
Corporate social responsibility expenditure (refer note 27 (b))	29.74	1.92
Security charges	168.33	159.61
Testing fees	68.73	79.59
Loss on disposal of Property, Plant & Equipment	0.13	-
Net loss on foreign currency transactions and translations	2.53	-
General expenses	213.17	210.94
Total other expenses	**5822.25**	**4465.36**

27 (a) Details of payments to auditors

	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditors		
As auditors		
As statutory auditor	9.35	8.50
For quarterly reviews	8.25	7.50
In other capacities		
For GST Matters	3.00	3.00
For Certifications	2.95	3.00
Re-imbursement of expenses	1.57	1.59
Subsidiary Auditors		
As statutory auditor	1.93	1.93
Total payments to auditors	**27.05**	**25.52**

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

27 (b) Corporate social responsibility expenditure

	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent as per section 135 of the Act	38.06	1.28
Amount of expenditure incurred during the year on		
(i) Promoting education	15.34	1.92
(ii) Promoting healthcare	11.40	-
(iii) Armed forces veterans	0.50	
(iv) Environmental sustainability	2.50	
Total Amount spent during the year	29.74	1.92
(Shortfall)/Excess at the end of previous year	9.51	8.87
Total of Previous years (short fall)/Excess	1.19	9.51
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	

27 (c) Expected loss on long term contracts

In accordance with the principles laid down under Ind AS 115 – Revenue from Contracts with Customers, the Parent Company has assessed the long-term contracts on an ongoing basis. Where it is anticipated that the total estimated contract costs will exceed the total estimated contract revenue, the expected loss is recognized immediately in the Statement of Profit and Loss as per the requirements of Paragraph onerous contract accounting under Ind AS 37. Accordingly, a provision for expected loss amounting to ₹ 500 lakhs has been recognized under "Liabilities" in the Balance Sheet. This reflects the current best estimate of the loss expected to be incurred to fulfill the performance obligations under the said contracts.

28 Income tax expense

This note provides an analysis of the group'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 group's tax positions.

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax expense		
Current tax		
Current tax on profits for the year	896.65	647.00
Adjustments for current tax of prior periods	6.23	-
Total current tax expense	**902.88**	**647.00**
Deferred tax		
Decrease/ (increase) in deferred tax assets	(221.96)	776.70
(Decrease)/ increase in deferred tax liabilities	225.61	(203.72)
Total deferred tax expense/(benefit)	**3.65**	**572.98**
Income tax expense	**906.53**	**1,219.98**

(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit from operations before income tax expenses	**3,779.86**	**4,061.74**
	Income tax expense		
	Tax at the rate of 29.12% (2023-24 : 29.12%)	1,100.70	1,182.78
	Tax effect on account of change in tax rate of Long term Capital Gain	(281.26)	-
	Tax effect of expenses not allowed for tax purpose	38.76	5.69
	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	15.46	44.45
	Effect of Interest on Income tax	32.38	22.89
	Adjustments for current tax of prior periods	6.23	-
	Tax effect on others	39.97	9.88
	Income tax expense	**906.53**	**1,219.98**

29 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: 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: 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.

The following table represents the fair value hierarchy of assets and liabilities

		Fair value hierarchy	Notes	As at March 31, 2025		As at March 31, 2024	
				Carrying Value	*Fair Value	Carrying Value	*Fair Value
A.	**Financial assets**						
a)	**Measured at amortised cost**						
	Cash and cash equivalents	Level -3	10	9,315.19	9,315.19	2,019.73	2,019.73
	Other bank balances	Level -3	11	815.75	815.75	904.67	904.67
	Trade receivables	Level -3	9	3,807.81	3,807.81	7,265.33	7,265.33
	Total financial assets			**13,938.75**	**13,938.75**	**10,189.73**	**10,189.73**
B.	**Financial liabilities**						
a)	**Measured at amortised cost**						
	Trade payables	Level -3		11,658.00	11,658.00	1,557.87	1,557.87
	Borrowings	Level -3	13(ii)	4,064.91	4,064.91	6,149.38	6,149.38
	Other financial liabilities	Level -3	14(ii)	2,157.95	2,157.95	1,338.43	1,338.43
	Total financial liabilities			**17,880.86**	**17,880.86**	**9,045.68**	**9,045.68**

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.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

30 Financial instruments and risk management - Financial risk management

The Group's activities expose it to Credit risk, Market risk and Liquidity risk. The Group emphasis on risk management and has an enterprise wide approach to risk management. The Group'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 group if a customer to a financial instrument fails to meet its contractual obligations. The Group 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 Group 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 Life time expected credit losses based on provision matrix) 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, 2025	As at March 31, 2024
Expected credit losses (ECL)		
Opening balance	132.14	589.05
Less: No longer required written back	-	(526.45)
Add: ECL Movement during the year	389.66	69.54
Closing balance	521.80	132.14

(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 group is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

(All amounts in INR lakhs, unless otherwise stated)

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, 2025			
	GBP (in number)	**USD (in number)**	**EURO (in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	9,26,872		793.23
Balance with banks	-	-		-
Deposits recoverable	-			
Total	-	9,26,872	-	793.23
Foreign currency liabilities				
Payables for supplies and services		1,14,41,660	-	9,791.93
Current borrowings		-	-	-
Capital creditors	2,032	-	-	2.25
Outstanding Liabilities		4,58,540	1,71,597	550.85
Total	2,032	1,19,00,200	1,71,597	10,345.03
Net foreign currency assets / (liabilities)	(2,032)	(1,09,73,328)	(1,71,597)	(9,551.80)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers		8,57,374	92,500	819.15
Advance from customers		11,30,378	-	967.39

	As at March 31, 2024			
	GBP (in number)	**USD (in number)**	**EURO (in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	21,52,407	-	1,794.55
Balance with banks	-	3	-	-
Deposits Recoverable	-	-	-	-
Total	-	21,52,410	-	1,794.55
Foreign currency liabilities				
Payables for supplies and services	-	4,41,069	68,500	429.54
Current borrowings		5,31,180	-	442.86
Capital Creditors	2,032	-	-	2.14
Total	2,032	9,72,249	68,500.00	874.54
Net foreign currency assets / (liabilities)	(2,032)	11,80,161	(68,500)	920.01
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance for supplies	-	36,70,905	-	3,060.58
Advance for capital items		-		-
Advance from customers	-	20,22,879	-	1,686.55

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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, 2025	For the year ended March 31, 2024
GBP	0.06	0.05
USD	(234.83)	24.55
EURO	(3.96)	(1.55)

(C) Liquidity risk:

Liquidity risk refers to the risk that the Group 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 Group'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 Group 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, 2025				
non-current borrowings		750.00	-	750.00
Current borrowings	3,314.91	-	-	3,314.91
Trade and other payable	11,658.00	-	-	11,658.00
Other financial liabilities	2,150.30	7.65	-	2,157.95
Total financial liabilities	**17,123.21**	**757.65**	**-**	**17,880.86**
As at March 31, 2024				
non-current borrowings	-	1,250.00	-	1,250.00
Current borrowings	4,899.38	-	-	4,899.38
Trade and other payable	1,557.87	-	-	1,557.87
Other financial liabilities	1,330.78	7.65	-	1,338.43
Total financial liabilities	**7,788.03**	**1,257.65**	**-**	**9,045.68**

31 Capital management

(a) The Group's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The Group'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 Group decides the optimum capital structure. The Group aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The Group's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2025	As at March 31, 2024
Net debt	-	3,238.58
Equity	24,715.68	22,148.79
Total capital (net debt + equity)	**24,715.68**	**25,387.37**
Gearing ratio (Net debt / Total capital)	**0.00%**	**12.76%**

(All amounts in INR lakhs, unless otherwise stated)

***Net debt is as follows**

		As at March 31, 2025	As at March 31, 2024
A)	Borrowings		
	Non-current borrowings	750.00	1,250.00
	Current borrowings	3,314.91	4,899.38
	Total (A)	**4,064.91**	**6,149.38**
B)	Cash and cash equivalents	9,315.19	2,019.73
	Bank balances other than cash and cash equivalents	805.01	891.07
	Total (B)	**10,120.20**	**2,910.80**
C)	**Net debt (A-B)**	**(6,055.29)**	**3,238.58**

(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 Rs. 220 crores including deferred tax liabilities.

* Total outside liabilities should be less than 1.00 times of the total net worth of the Parent company

* Total debt should be less than 2.00 times of the Earnings before interest, depreciation, taxes and amortisation of the parent company

* Debt service coverage ratio should be greater than 1.25 throughout the tenor of the loan

The parent company has complied with these covenants throughout the reporting period.

32 Contingent Liabilities

	As at March 31, 2025	As at March 31, 2024
On account of Letters of credit and Guarantees issued by the bankers.	5,945.21	9,461.90
Claims against the group not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Income tax	61.84	61.84
- Others	10.00	-

It is not practicable for the group to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

33 Commitments

	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,441.54	417.95

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

34 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, 2025	As at March 31, 2024
Principal amount remaining unpaid as at year-end	566.05	527.41
Interest due thereon as at year-end	-	-
Interest paid by the group 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 group on the basis of information available with the group and has been relied upon by the auditors.

34(b) Ageing of Trade Payables as at March 31, 2025

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	566.05	-	-	-	-	566.05
Others	901.24	10,059.21	8.36	42.27	80.87	11,091.95
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,467.29**	**10,059.21**	**8.36**	**42.27**	**80.87**	**11,658.00**

34(c) Ageing of Trade Payables as at March 31, 2024

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	527.41	-	-	-	-	527.41
Others	647.34	59.40	228.17	38.59	56.96	1,030.46
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,174.75**	**59.40**	**228.17**	**38.59**	**56.96**	**1,557.87**

(All amounts in INR lakhs, unless otherwise stated)

35 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.

One customers represents 10% or more of the Company's total revenue during the year ended March 31, 2025 and Three customer represents 10% or more of the Company's total revenue during the year ended March 31, 2024.

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, 2025**	**As at March 31, 2024**
India	33,897.22	20,192.90
Rest of the world	7,848.01	6,978.77
Non-current assets		
India	20,887.50	20,722.62
Rest of the world	-	-

37 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 31,2025			
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised iron wire	80%
PELNEXT Defense Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

38 Related Party Transactions

(a)	**Enterprises where control exists**		
	Wholly owned Subsidiary Company	PELNEXT Defense Systems Private Limited	
	Subsidiary	Premier Wire Products Limited	
	Joint venture	Global Premier Limited (wef March 07, 2025)	
(b)	**Key Management Personnel (KMP)**	Dr. A.N.Gupta	Chairman
		Mr. T.V.Chowdary	Managing Director
		Mr. Y. Durga Prasad Rao	Whole time Director
		Dr. (Mrs.) Kailash Gupta	Non Executive Director
		Mrs. Shonika Prasad	Non-Executive Director
		Dr. V G Sekaran	Independent Director
		Dr. Narendra Kumar Nanda	Independent Director
		Ch. Seshagiri Rao	Independent Director
		Dr. (Mrs.) Kumuda Raghavan	Independent Director
		Gen P.R.Kumar	Independent Director
		Mr. Anil Kumar Mehta	Independent Director(till 12-08-2024)
		Mr. P.R.Tripathi	Independent Director(till 12-08-2024)
		Mr. K.Rama Rao	Independent Director(till 12-08-2024)
		Dr. A.Venkat Raman	Independent Director(till 12-08-2024)
(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)

(e) Transactions with related parties

	For the year ended March 31, 2025	For the year ended March 31, 2024
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	341.33	309.36
Others		
Acceptance of unsecured loan		-
Repayment of unsecured loan	519.05	-
Interest paid	3.53	46.00
Dividend paid	95.58	65.02
Sitting fees	16.13	12.03
Capital advance given	-	-
Purchase of land	-	162.00
Relatives of Key Management Personnel		
Dividend paid	0.51	0.35
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	16.42	11.16

(All amounts in INR lakhs, unless otherwise stated)

(f) Balance outstanding at the year end are as follows

	As at March 31, 2025	As at March 31, 2024
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	39.74	41.30
Mr. T.V. Chowdary	46.70	41.30
Mr. Y. Durga Prasad Rao	22.70	20.65
Loan Payable Outstanding		
Dr. A.N.Gupta	-	400.27
Dr. Kailash Gupta	-	118.78

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, 2025	For the year ended March 31, 2024
Interest paid		
Dr. A.N.Gupta	0.88	35.44
Dr. Kailash Gupta	2.65	10.56
Managerial remuneration paid*		
Dr. A.N.Gupta	62.12	65.30
Mr. T.V. Chowdary	189.31	164.28
Mr. Y. Durga Prasad Rao	89.90	79.78
Repayment of unsecured loans		
Dr. A.N.Gupta	400.27	-
Dr. Kailash Gupta	118.78	-
Sitting fees		
Dr. A.N.Gupta	2.58	1.40
Dr. Kailash Gupta	1.68	1.63
Mr. Anil Kumar Mehta	1.08	2.33
Mr. P.R. Tripathi	1.08	1.92
Mr. K. Rama Rao	1.07	1.82
Dr.A.Venkataraman	0.45	1.13
Mr.P.R.Kumar	2.17	0.67
Mrs. Shonika Prasad	1.12	1.13
Dr.Gnana Sekaran Venkata Swamy	1.20	
Dr.Kumuda Raghavan	1.00	
Dr.Narendra Kumar Nanda	1.20	
Mr.Seshagiri Rao Cittavarjula	1.50	
Purchase of land		
Dr. A.N.Gupta	-	162.00
Dividend paid		
Dr. A.N.Gupta	65.50	44.54
Dr. Kailash Gupta	29.19	19.85
A.N Gupta (HUF)	16.42	11.16

*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.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

39 Donation to political parties

	For the year ended March 31, 2025	For the year ended March 31, 2024
Communist party of India	1.00	1.00
	1.00	**1.00**

40 Earnings /(Loss) per share (EPS)

		For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	**Basic and Diluted EPS**		
	Earnings per share attributable to the equity holders of the group	5.34	5.27
(b)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic and Diluted earnings per share		
	Profit attributable to the equity holders of the group used in calculating earnings per share	2,869.53	2,835.66
(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	5,37,61,195	5,37,61,195
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,37,61,195	5,37,61,195

Note: Previous year numbers are adjusted for shares splits during the current year (Refer note 14(v))

41 Assets pledged as security

The carrying amounts of the parent Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2025	As at March 31, 2024
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	13,937.18	10,189.79
Non financial assets	17,985.10	13,273.11
Collateral security		
non-current assets		
Non financial assets	19,352.72	19,388.33
Towards current borrowings	**51,275.00**	**42,851.23**
non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	19,352.72	19,388.33
Collateral security		
Current assets		
Financial assets	13,932.80	10,185.67
Non financial assets	17,985.10	13,273.11
Towards non-current borrowings	**51,270.62**	**42,847.11**

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

42 Additional information required by Schedule III

	Premier Explosive limited	Premier Wire Products Private Limited	PELNEXT Defense Systems Private Limited	Non controlling interest	Inter-company transactions/ balances
Net assets (total assets minus total liabilities)					
Amount	24,575.10	532.10	(5.83)	135.31	(521.00)
As % of consolidated net assets	99%	2%	0%	1%	-2%
Share in profit or (loss)					
Amount	2,855.26	15.18	(0.91)	3.80	-
As % of consolidated net assets	99%	1%	0%	0%	0%
Share in other comprehensive income					
Amount	(37.63)	-	-	-	-
As % of consolidated net assets	100%	0%	0%	0%	0%
Share in total comprehensive income					
Amount	2,817.63	15.18	(0.91)	3.80	-
As % of consolidated net assets	100%	1%	0%	0%	0%

43 Ratios to be disclosed

	Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Change in Ratio
a)	Current ratio(in times)	Current Assets	Current Liabilities	1.28	1.27	1%
b)	Debt-Equity ratio(in times)	Total debt	Shareholder's Equity	0.16	0.28	-41%
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	3.04	4.36	-30%
d)	Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	12.00%	14.00%	-2.00%
e)	Inventory turnover ratio (in times)	Sale of Products	Average Inventory	3.22	2.91	11%
f)	Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	7.54	4.30	75%
g)	Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	4.57	7.50	-39%
h)	Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	5.94	5.37	11%
i)	Net profit ratio(in %)	Profit after tax	Revenue from operations	6.88%	10.46%	-3.58%
j)	Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	16.16%	17.00%	-0.84%

Reasons for Variance:

Debt-Equity Ratio: Change is on account of decrease in debt during the year.

Debt Service Coverage Ratio: Change on account of increase in earnings available debt service during the year

Trade receivables turnover ratio: Change is on account of increase in Revenue during the year.

Trade Payables Turnover Ratio: Change is on account of increase in Raw Material purchases during the year.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

44 Material Uncertainty related to Going Concern (Pelnext Defence Systems Private Limited)

During the year the company incurred loss before tax of Rs.0.91 lakhs and the company had negative other equity of Rs.6.83 lakhs as at 31st March, 2025. Further, owing to negative other equity as at 31st March, 2025 the Company's networth is errored completely and the current liabilities exceeded its current assets by Rs.5.83 lakhs as at 31st March, 2025. However, the accounts of the company for the year ended 31st March, 2025 have been prepared on the Going Concern basis.

45 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, 2025	As at March 31, 2024
On Equity Shares of Rs.10/- each		
Proposed dividend*	268.81	268.81
Proposed dividend per equity share in Rupees	0.50	2.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

(ii) Fire Accident

On April 29, 2025 , a Major Fire Accident occurred at propellant mixing building of Company's factory situated at Katepally Village, Motakondur Mandal, Yadadri-Bhongir District, Telangana. causing significant damage to property, plant and equipment located at incedent which have been appropriately insured and management has initiated insurance claims. Company also received a closure order of the above plant from the Telangana pollution control board to stop industrial activities, Management taking all necessary recourse with the department to get back their consent to start the operations. The extent of the financial impact is currently under assessment. Preliminary estimates suggest its impact on respective plant's operations and delivery schedules, however, it is not expected to affect the Company's ability to continue as a going concern.

The incident occurred after the end of the reporting period and therefore does not reflect conditions that existed at the reporting date of March 31, 2025 .As this event did not exist at the reporting date and does not provide evidence of conditions that existed at that time, no adjustments have been made to the financial statements. This event is disclosed as a non-adjusting subsequent event in accordance with Ind AS 10 – Events after the Reporting Period .

46 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) 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)

(vi) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

(vii) The Group has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.

(viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) 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 Group 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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(All amounts in INR lakhs, unless otherwise stated)

(x) No funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

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

As per our report of even date

For and on behalf of the Board

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

B.M. Vijay Kumar
Chief Financial Officer

Dr. A.N.Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Place: Secunderabad
Date: May 22, 2025

Notice of the 45th Annual General Meeting

Notice is hereby given that the 45th Annual General Meeting of the Members of Premier Explosives Limited (the Company) will be held on Tuesday, the 30th day of September, 2025 at 11:00 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, 2025 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, 2025 together with the Reports of Auditors thereon.

2. To declare a final dividend for the financial year 2024-25.

3. To appoint a director in place of Dr. Amarnath Gupta (DIN:00053985), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. **Approval for payment of remuneration to Mr. T.V. Chowdary (DIN:00054220), Managing Director of the Company**

    To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provision(s), if any, of the Companies Act, 2013 (the "Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and subject to such other approvals as may be necessary, and pursuant to the recommendations of Nomination and Remuneration Committee and approval of the Board of Directors, consent of the members be and is hereby accorded for payment of remuneration to Mr. T.V. Chowdary (DIN:00054220), Managing Director of the Company with effect from February 14, 2025 for the remaining period of his present term of appointment upto February 13, 2027 as detailed below:

A. Salary:

    a. Basic Salary of Rs. 9,50,400/- (Rupees Nine Lakhs Fifty Thousand and Four Hundred only) per month and

    b. His basic salary will be revised every year by the Nomination and Remuneration Committee based on his performance and he may be awarded an increment of 10-20% (rounded off to nearest Rs.100/-) with effect from 1st of April.

B. Perquisites and Allowances:

    In addition to salary mentioned above, he will be entitled to the following perquisites, allowances and other benefits such that their monetary value shall be restricted to an amount equivalent to his annual basic salary.

    a. Unfurnished accommodation or House Rent Allowance at the rate of 30% of the basic salary in lieu of unfurnished accommodation.

    b. Utility Allowance for Gas, electricity, water, servant, security, gardener and soft furnishing subject to maximum of 10% of the basic salary.

        These shall be valued as per the Income Tax Rules, 1962 for the purpose of calculation of managerial remuneration under the Sections 196, 197 and Schedule V annexed to the Companies Act, 2013.

    c. Medical Allowance of 8.33% of basic salary.

    d. Leave travel allowance once in a year to the extent of one month basic salary

    e. Club fees (Maximum 2 clubs)

    f. Mediclaim and Personal accident insurance as per Rules of the company

C. Other benefits:

    a. Company's contribution towards Provident Fund as per the rules and regulations prescribed under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

    b. Leave encashment at the end of tenure as per rules of the Company

        In computing monetary ceiling of perquisites the company's contribution to provident fund and leave encashment at the end of the tenure shall not be taken into account.

    c. Use of company car with driver & telephone at residence for official purposes.

D. Minimum Remuneration

    In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above as minimum remuneration.

E. Commission

    In addition to the remuneration mentioned above, he will be entitled to commission @ 1 % of the Net Profits calculated in accordance with Section 198 of the Companies Act, 2013, every year.

    FURTHER RESOLVED THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter and vary the terms of appointment and remuneration, within the permissible limits specified under Section 197 read with the Schedule V of the Companies Act, 2013 (including any statutory amendments or re-enactments thereof, for the time being in force).

FURTHER RESOLVED THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

5. **Approval for payment of remuneration to Mr. Y. Durga Prasad Rao (DIN:08072805), Director (Operations) of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provision(s), if any, of the Companies Act, 2013 (the "Act"), read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and subject to such other approvals as may be necessary, and pursuant to the recommendations of Nomination and Remuneration Committee and approval of the Board of Directors, consent of the members be and is hereby accorded for payment of remuneration to Mr. Y. Durga Prasad Rao (DIN:08072805), Wholetime Director designed as Director (Operations) of the Company with effect from August 10, 2025 for the remaining period of his present term of appointment upto August 09, 2027 as detailed below:

A. Salary:

a. He will be entitled to a Basic Salary of Rs. 4,56,192/- (Rupees Four Lakhs Fifty Six Thousand and One Hundred and Ninety Two only) per month and

b. His basic salary will be revised every year by the Nomination and Remuneration Committee based on his performance and he may be awarded an increment of 10-20% (rounded off to nearest Rs.100/-) with effect from 1st of April.

B. Perquisites and Allowances:

In addition to salary mentioned above, he will be entitled to the following perquisites, allowances and other benefits such that their monetary value shall be restricted to an amount equivalent to his annual basic salary.

a. Unfurnished accommodation or House Rent Allowance at the rate of 30% of the basic salary in lieu of unfurnished accommodation.

b. Utility Allowance for Gas, electricity, water, servant, security, gardener and soft furnishing subject to maximum of 10% of the basic salary.

These shall be valued as per the Income Tax Rules, 1962 for the purpose of calculation of managerial remuneration under the Sections 196, 197 and Schedule V annexed to the Companies Act, 2013.

c. Medical Allowance of 8.33% of basic salary.

d. Leave travel allowance once in a year to the extent of one month basic salary

e. Club fees (Maximum 2 clubs)

f. Mediclaim and Personal accident insurance as per Rules of the company

C. Other benefits:

a. Company's contribution towards Provident Fund as per the rules and regulations prescribed under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

b. Leave encashment at the end of tenure as per rules of the Company

In computing monetary ceiling of perquisites the company's contribution to provident fund and leave encashment at the end of the tenure shall not be taken into account.

c. Use of company car with driver & telephone at residence for official purposes.

D. Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above as minimum remuneration.

E. Commission

In addition to the remuneration mentioned above, he will be entitled to commission @ 0.50 % of the Net Profits calculated in accordance with Section 198 of the Companies Act, 2013, every year.

FURTHER RESOLVED THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and is hereby authorised to alter and vary the terms of appointment and remuneration, within the permissible limits specified under Section 197 read with the Schedule V of the Companies Act, 2013 (including any statutory amendments or re-enactments thereof, for the time being in force).

FURTHER RESOLVED THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

Notice of the 45th Annual General Meeting

6. Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director:

To consider, and if thought fit, to pass with or without modification(s) 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, 2026 to 31st March, 2027, 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."

7. Appointment of Secretarial Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, M/s. K V C Reddy & Associates, Practicing Company Secretaries (Peer review Certificate No. 2301/2022) be and is hereby appointed as the Secretarial Auditors of the Company, for a term of five consecutive financial years commencing from the financial year 2025-26 to the financial year 2029-30, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. Approval to raise capital through issuance of equity shares or other eligible securities for an amount not exceeding ₹ 300 crore:

*To consider, and if thought fit, to pass with or without modification(s) the following resolution(s) as a **Special Resolution:***

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 41, 42, 62, 179 and other applicable provisions, if any, of the Companies Act, 2013 ("**Companies Act**"), read with the applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made thereunder *(including any amendment(s), statutory modification(s) and/or reenactment(s) thereof for the time being in force),* the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('**SEBI ICDR Regulations')** and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'Listing Regulations'),** to the extent applicable, the listing agreement(s) entered into by the Company with the stock exchanges on which the equity shares of the Company ('**Equity Shares')** are listed, the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), all other applicable laws, rules and regulations, including the provisions of the Foreign Exchange Management Act, 1999 as amended and rules and regulations framed thereunder including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and the applicable rules and regulations made thereunder, the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, as amended, the Framework for issue of Depository Receipts notified by SEBI *vide* circular dated October 10, 2019, as amended, Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India, and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India, the Ministry of Corporate Affairs ("**MCA**"), the Reserve Bank of India ("**RBI**"),the Securities and Exchange Board of India ("**SEBI**"), and/ or any other relevant / statutory authorities in India or abroad from time to time, to the extent applicable and subject to all other approval(s), consent(s), permission(s) and/or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA and the Stock Exchanges (hereinafter singly or collectively referred to as "**Appropriate Authorities**") and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the consent of the members of the Company be and is hereby accorded, to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted*)* such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in foreign currency, for an aggregate amount up to ₹300 crores, by way of one or more public and/or private offerings and/or on a preferential allotment basis and/or a qualified institutions placement ("**QIP**") to "qualified institutional buyers" as defined in the SEBI ICDR Regulations and/or any combination thereof and/or any other permitted modes through issue of prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/or such other documents/ writings/ circulars/ memoranda in such a manner, in such tranche or tranches, by way of an issue of Equity Shares or by way of an issue of any instrument or security including convertible/ redeemable preference shares, fully/partially convertible debentures or by way of a composite issue of non-convertible debentures, issue of Global Depository Receipts ("**GDRs**"), American Depository Receipts ("**ADRs**") or any other eligible securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the "**Securities**" or any combination of Securities, with or without premium, to be subscribed to in Indian and /or any foreign currencies by all eligible investors, including, residents or non-resident investors/ whether institutions, foreign portfolio investors and/or incorporated bodies and/or trusts or otherwise)/ qualified institutional buyers/ mutual funds/ pension funds/ venture capital funds/ banks/ alternate investment funds/ Indian and/or multilateral financial institutions, insurance companies/ trusts/ stabilizing agents and any other category of persons or entities who are authorised to invest in the Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively called "**Investors**"), to all or any of them, jointly or severally through a prospectus and/or an offer document and/or a private placement offer letter and/or placement document and/or such other documents/writings/ circulars/ memoranda in such a manner on such terms and conditions, considering the prevailing market conditions and other relevant factors wherever necessary, at such price or prices, whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable laws and regulations, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead manager(s) and/or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including the security, rate of interest etc., issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion/redemption/ extinguishment of debt(s), terms of issue, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the book running lead manager(s)/merchant banker(s) to be appointed by the Company so as to enable the Company to list on any stock exchange in India or overseas jurisdictions."

"**RESOLVED FURTHER THAT**, in pursuant of the aforesaid resolutions: (a) the Securities to be so created, offered, issued and allotted in terms of this resolution shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and the fully paid-up Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank *pari passu* with the existing Equity Shares of the Company in all respects and (b) Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;"

"**RESOLVED FURTHER THAT,** in case of a qualified Institutions Placement pursuant to the SEBI ICDR Regulations, the allotment of equity shares, shall only be made to Qualified Institutional Buyers as defined under ICDR Regulations, such equity shares shall be allotted as fully paid-up and the allotment shall be completed within 365 days from the date of passing of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under the ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the floor price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in the event Equity Shares are issued by way of qualified institutional placement under the ICDR Regulations,, the "relevant date" for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorised by the Board, decides to open the proposed issue of such Equity Shares, subsequent to the receipt of members' approval in

Notice of the 45th Annual General Meeting

terms of provisions of the Act and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares;

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of securities or equity shares on conversion of securities, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such securities or equity shares as the case may be, on one or more stock exchanges in India.

"**RESOLVED FURTHER THAT**, for the purpose of giving effect to the above resolutions, approval of the Members of the Company be and is hereby accorded to the Board and the Board and/or a duly authorized committee, be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalisation and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the proceeds as it may in its absolute discretion deem fit."

"**RESOLVED FURTHER THAT**, without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tractability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board, be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed."

"**RESOLVED FURTHER THAT,** for the purpose of giving effect to any offer, issue, or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorised to do all such acts, deeds, matters in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/ conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, opening and maintaining bank accounts, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, monitoring agency, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed, in all respects."

RESOLVED FURTHER THAT

- the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;
- the Equity Shares to be issued by the Company as stated aforesaid shall rank pari-passu with all existing Equity Shares of the Company;
- the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the above-mentioned Equity Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient;
- the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents, as it may in its absolute discretion deem fit and to settlle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage/appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agents, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, contracts/ agreements, memoranda, documents, etc., with such agencies, to seek the listing of shares on Stock Exchanges.

RESOLVED FURTHER THAT subject to applicable law, the Board be and is hereby authorized to delegate all or any of its powers herein conferred by this resolution to any Committee of the Board, with powers to further delegate any of such powers to any of the Director(s) and/or Official(s) of the Company or any other person(s), with or without such condition(s) or stipulation(s) or in any manner, as the Committee may deem fit in its absolute discretion to give effect to the above resolution."

9. Ratification of remuneration payable to the Cost Auditors

To consider and if though fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment 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 2025-26, amounting to Rs. 1,60,000/- per annum (Rupees one lakh sixty 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 authorized 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

Sd/-
K. Jhansi Laxmi
Company Secretary
MNo:A16577

Place: Secunderabad
Date: August 12, 2025

CIN:L24110TG1980PLC002633
Registered Office:
'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana– 500015.
Ph: +91 40 66146801 to 03, Fax: +91 40 661406839
Email: investors@pelgel.com Website:www.pelgel.com

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') and the rules made thereunder setting out the material facts and reasons for the proposed resolutions is annexed to the Notice of the 45th Annual General Meeting (AGM). Further, pursuant to Regulation 36(3) of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details with respect to 'Director seeking appointment/ re-appointment and fixation of remuneration at this AGM' are also provided as **Annexure – A.**

2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 09/2024 dated September 19, 2024 and other Circulars in this respect ('MCA Circulars') allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ('VC/ OAVM') facility on or before September 30, 2025 in accordance with the requirements provided in paragraphs 3 and 4 of MCA General Circular No. 20/2020. The Securities and Exchange Board of India (SEBI) also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 ("SEBI Circulars"), has provided certain relaxations from compliance with certain provisions of the SEBI Listing Regulations. In Compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 45th AGM of the Company is being held through VC/OAVM, which does not require the physical presence of the members at a common venue. The detailed procedure for participating in the Meeting through VC/OAVM facility is mentioned hereunder. The deemed venue for the AGM shall be the Registered Office of the Company situated at 'Premier House', # 11, Ishaq Colony, Near AOC Centre, Secunderabad-500015, Telangana, India.

3. The Company has enabled the Members to participate at the 45th 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 45th 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 this AGM and hence, the Proxy Form and Attendance Slip and route map of AGM are not annexed to this Notice.**

5. In accordance with the aforesaid Circulars, the Notice of the 45th AGM along with the Annual Report for the financial year 2024-

Notice of the 45th Annual General Meeting

25 (Annual Report) is being sent only through electronic mode to the Members who have registered their e-mail addresses with the Company/Depository Participants, unless a member has requested a physical copy of the same. The Notice of 45th AGM and Annual Report 2024-25 will also be available on the Company's website at www.pelgel.com, on the websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited at https://evoting.kfintech.com. The company will not be dispatching physical copies of the Annual Report 2024-25 and the notice of the 45th AGM to any member.

A letter containing the web-link and QR code to access the Annual Report for the financial year 2024-25 is being sent separately to the shareholders whose email addresses are not registered with the Company/Depository Participants/Registrar and Share Transfer Agent.

6. 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, the Secretarial Standard on General Meetings (SS-2) issued by the ICSI 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 entitle to cast their vote again. **The Procedure / instructions for e-voting and joining the 45th AGM are provided in this Notice.**

7. The remote e-voting period commences on Friday, September 26, 2025 (9:00 A.M.IST) and ends on Monday, September 29, 2025 (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 Tuesday, September 23, 2024, 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.

8. 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.

9. 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.

10. The Board of Directors of the Company at their meeting held on May 22, 2025 has recommended a final dividend of Rs. 0.50/- per equity share of Rs. 2/- each for the financial year 2024-25, subject to approval of shareholders at its 45th AGM.

11. The Company has fixed Tuesday, September 23, 2025 as the "Record Date" for determining entitlement of members to final dividend for the financial year ended March 31, 2025, if approved at the AGM.

12. Book Closure and Dividend

    i. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (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, 2025, if approved at the AGM.

    ii. The dividend of Rs. 0.50/- per equity share of Rs. 2/- each (25%), 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 Tuesday, September 23, 2025 (record date), as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in 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 Tuesday, September 23, 2025 (record date).

    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 23, 2025 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.

13. 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.

14. Dividend in case of Non-KYC Compliant Folios:

    Shareholders are requested to note that pursuant to the SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account details and signature, if any) shall be eligible for payment of dividend in respect of such folios, only through electronic mode with effect from April 01, 2024.

    Shareholders are required to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the Registrars and Transfer Agents i.e., https://ris.kfintech.com/clientservices/isc/isrforms.aspx.

15. The Board of Directors has appointed Mr. K.V. Chalama Reddy (Membership No.: F9268), M/s. K V C Reddy & Associates, Company Secretaries, as the 'Scrutinizer' to scrutinize the remote e-voting process and voting during the AGM, in a fair and transparent manner.

16. The Scrutinizer shall submit his report within the prescribed timelines, to the Chairman of the Company or any person authorized in that respect, after completion of scrutiny of the e-voting (votes cast through remote e-voting and votes cast during the AGM). 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.

17. The results of the voting declared along with the Scrutinizer's report shall be communicated to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed, RTA, and will also be displayed on the Company's website at www.pelgel.com

18. 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.

19. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested maintained under the Act and all the documents referred to in the Notice will be available for inspection by the Members during the 45th AGM. Members desiring inspection of statutory registers and other relevant documents are requested to write to the Company at investors@pelgel.com.

20. 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 INE863B01029.

21. 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.

22. 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. Members in physical form, desiring to avail this facility may send their nomination in the prescribed form duly filled-in to KFintech. Members holding shares in electronic mode may contact their respective Depository Participant for availing this facility.

Notice of the 45th Annual General Meeting

23. 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).

24. 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.

25. Investor Grievance Portal maintained by Registrar and Transfer Agent (RTA))

    Members are hereby notified that our RTA, KFin Technolonies Limited, based on the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/CIR/2023/72 DATED June 08,2023, have created an online application which can be accessed at https://ris.kfintech.com/default.aspc>Investor Services> Investor Support. Members are required to register / sign up, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, query, complaints, check for status, KYC details, dividend, interest, redemptions, eMeetings and e-voting details. Quick link to access the sign up page: https://kprism.kfintech.com/signup.

26. Unclaimed Dividend: Members who wish to claim the unclaimed dividends of the past years, are requested to correspond with 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.

27. 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.

28. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with the Depository Participants in case the shares are held in dematerialized form and with Company/ KFintech, in case the shares are held in physical form for receiving all communications including Annual Report and other Notices from the Company electronically.

29. **PROCEDURE AND INSTRUCTIONS FOR E-VOTING:**

PROCDURE FOR REMOTE E-VOTING

i. 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 23, 2025 (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.

ii. 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.

iii. 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.

iv. The remote e-Voting period commences on Friday, September 26, 2025 (9.00 A.M. IST) and ends on Monday, September 29, 2025 (5.00 P.M. IST).

v. 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.

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., Tuesday, September 23, 2025, 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 Shareholdersholding 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 eVoting period.

Notice of the 45th Annual General Meeting

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-eVoting portal. V. Click on e-Voting service provider name to cast your vote.
	2.	**User not registered for Easi/Easiest** 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 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.

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 authorized 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.

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 or view the live webcast of AGM on the 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 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 though VC/OAVM shall open atleast 15 minutes before the commencement of AGM and shall be closed

Notice of the 45th Annual General Meeting

after the expiry of 15 minutes after such schedule time. The detailed instructions for participation by Members at the 45th 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 26. 2025 (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 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 2000 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 26, 2025 to 5.00 P.M. (IST) on September 29 2025 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 opened from Sep[tember 26, 2025 (9.00 A.M.) to September 29, 2025 (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 (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 close of Tuesday, September 23, 2025, 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER:

Item No. 4: Approval for payment of remuneration to Mr. T.V. Chowdary, Managing Director of the company:

As a part of succession plan Mr. T.V. Chowdary, Deputy Managing Director, was redesignated/appointed as Managing Director by the Board at its Meeting held on January 07, 2022 for a period of five years with effect from February 14, 2022 to 13/02/2027 and fixed the remuneration for a period of three years. The same was approved by the Members through Postal Ballot on 12/02/2022. Further, considering the contribution of Mr. T.V. Chowdary, the Board of Directors at their meeting held on February 12, 2025, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the payment of remuneration to Mr. T.V. Chowdary, Managing Director for the remaining period of his present term till February 13, 2027.

Mr. T.V. Chowdary is a chemical engineer with over 40 years of experience in production of explosives, detonators and solid propellants and has been at the forefront in various aspects for the management.

A brief profile and other details of Mr. T.V. Chowdary is provided in **Annexure - A** pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards for the purpose of Item No. 4 of this Notice.

None of the other Directors/Key Managerial Personnel or their relatives except Mr. T.V. Chowdary is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

Keeping in view the immense contribution made by Mr. T.V. Chowdary to the Company and his rich and varied experience, the Board recommends the Special Resolution set forth in Item No. 4 of the notice for approval of the Members.

Item No. 5: Approval for payment of remuneration to Mr. Y. Durga Prasad Rao, Director (Operations) of the company:

The members of the Company at the 42nd Annual General Meeting held on September 16, 2022 approved the reappointment of Mr. Y. Durga Prasad Rao, as Wholetime Director designated as Director-(Operations) for a period of five years w.e.f. August 10, 2022 and fixed the remuneration for a period of three years..

Based on the performance evaluation and the recommendations of the Nomination and Remuneration Committee and keeping in view the expertise of Mr. Y. Durga Prasada Rao, the Board of Directors at their Meeting held on May 22, 2025 approved the payment of remuneration to Mr. Y. Durga Prasad Rao for the remaining period of his present term till August 09, 2027, subject to the approval of the Members.

A brief profile and other details of Mr. Y. Durga Prasad Rao is provided in **Annexure - A** pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards for the purpose of Item No. 5 of this Notice.

None of the other Directors/Key Managerial Personnel or their relatives except Mr. Y. Durga Prasad Rao is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 5.

Keeping in view the immense contribution made by Mr Y. Durga Prasad Rao to the Company and his rich and varied experience, the Board recommends the Special Resolution set forth in Item No. 5 of the notice for approval of the Members.

Item No. 6: Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director:

Dr. Amarnath Gupta, aged 80 years, is the founder promoter, Non-Executive Chairman of the Company having over 49 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 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. The Board of Directors on the recommendation of the Nomination & Remuneration Committee recommend the payment of remuneration to Dr. Amarnath Gupta. Your approval is therefore sought for the remuneration and benefits, payable to Dr. Amarnath Gupta for the period commencing from 1st April, 2026 to 31st March, 2027 as provided below:

a) Monthly remuneration of Rs. 2,20,000/- aggregating to Rs. 26,40,000/- for the period commencing from 1st April, 2026 to 31st March, 2027 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. 6 and as may be determined by the Board from time to time.

Dr. Amarnath Gupta is the founder promoter of the Company and

Notice of the 45th Annual General Meeting

holds 131,00,915 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. 6 of the Notice for your approval.

Item No. 7: Appointment of Secretarial Auditors:

Pursuant to provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), every listed company is required to annex with its Board's Report, a secretarial audit report, issued by a Practicing Company Secretary. For this purpose, the Board of Directors of the Company had appointed M/s. K V C Reddy & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2024-25 and they have issued their report which is annexed to the report of the Board of Directors of the Company as a part of the Annual Report.

SEBI vide its notification dated December 12, 2024, amended the SEBI LODR Regulations. The amended regulations require companies to obtain shareholders' approval for appointment of Secretarial Auditors for a period of 5 years in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer reviewed Company Secretaries and should not have incurred any of the disqualifications as specified by SEBI.

In light of the aforesaid, the Board of Directors has, pursuant to the recommendations of the Audit Committee and subject to the approval of the shareholders, appointed M/s. K V C Reddy & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for a period of five consecutive financial years commencing from Financial Year 2025-2026 till Financial Year 2029-2030 at such remuneration as may be determined by the Board of Directors of the Company in consultation with the Secretarial Auditors. M/s. K V C Reddy & Associates, Practicing Company Secretaries, Hyderabad, have more than 25 years of experience in Corporate Law practice and their expertse covers Corporate legal compliances, Corporate Governance, Advisory and Consulting, conducting AGMs, EGMs, Board Meetings, Secretarial Audits, Due Diligence and well versed with Statutory Compliance under SEBI Regulations, Stock Exchange Listing Agreements, Company Law and related acts. Furthermore, in terms of the amended regulations, the firm has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review Certificate. M/s. K V C Reddy & Associates, Practicing Company Secretaries have confirmed that they are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval of the members by way of Ordinary Resolution.

Item No.8: Approval to raise capital through issuance of equity shares or other eligible securities for an amount not exceeding ₹ 300 crore:

The Members have passed a Special Resolution for raising of capital up to an amount not exceeding Rs. 400 crores (Rupees Four Hundred crore only) through postal ballot on May 25, 2024, However, the Company has not raised any amount as plans for deployment have been delayed due to Government Clearances/Approvals.

It is an enabling resolution, which remains valid for a period of 12 (twelve) months from the date of its passing as per SEBI (ICDR) provisions and hence the need to pass the resolution once again.

The Company still intends to raise capital and hence, an enabling Special Resolution is being proposed to give necessary authority to the Board of Directors to decide and finalize the timing and the terms of the issue, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals.

It is proposed to raise an amount not exceeding Rs. 300 crores and the proceeds of the offerings are intended to part finance the Company's capital expenditure needs and / or for other general corporate purposes, including refinancing/repayment of expensive debt, expansion, diversification projects, working requirements and other permissible uses, depending upon market dynamics.

None of the Directors, Key Managerial Personnel or their relatives are in any ways interested or concerned in the said resolution.

The Board recommends the Special Resolution as set out at item no.8 of the Notice for approval of the members.

Item No. 9: 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, 2026, at a remuneration of Rs. 1,60,000/- per annum (Rupees one lakh sixty 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. 9 of the Notice for ratification of the remuneration paid/payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the, Directors or Key Managerial Personnel of the Company, or their relatives, are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 9 of this Notice for the approval of Members.

Annexure – A

Item Nos. 3, 4, 5 & 6 of the AGM Notice

Details of Directors seeking appointment/re-appointment & fixation of Remuneration at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

Name	Dr. Amarnath Gupta	Mr. T.V. Chowdary	Mr. Y. Durga Prasada Rao
DIN	00053985	00054220	08072805
Date of birth	14/04/1945	16/08/1957	20/05/1963
Age	80 years	68 years	62 years
Date of first Appointment on the Board	20/02/1980	31/08/2005	10/08/2019
Qualifications	M.Sc. (Mining & Engineering), D.Sc. (honorary)	B.Sc. Tech (Petroleum)	B.Tech (Mechanical Engineering
Experience & Expertise in specific functional area	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.	A chemical engineer with over 40 years of experience in production of explosives, detonators, and solid propellants.	He holds a Bachelor's degree in 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 the Company since July 01, 1989 and is currently heading the manufacturing activities of our Company at Peddakandukuru and Katepally
Terms and Conditions of appointment / reappointment	Reappointment upon retirement by rotation and payment of remuneration	Payment of remuneration as specified in item No. 4 of the Notice	Payment of remuneration as specified in item No.5 of the Notice
No of shares held in the Company	13100915 equity shares	157290 equity shares	385 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Spouse of Dr.(Mrs.) Kailash Gupta, Non-Executive Director & Father of Mrs. Shonika Prasad, Non-Executive Director	Not related to any director of the company	Not related to any director of the company
No of Meetings of the Board attended during the year	7 out of 7 meetings in FY 2024-25	7 out of 7 meetings in FY 2024-25	7 out of 7 meetings in FY 2024-25
Listed entities in which the person holds the directorship and the membership of committees of Board along with listed entities from which the person has resigned in the past three years.	NIL	NIL	NIL

Notice of the 45th Annual General Meeting

Name	Dr. Amarnath Gupta	Mr. T.V. Chowdary	Mr. Y. Durga Prasada Rao
Directorships held in other companies	PELNEXT Defence Systems Private Limited	Premier Wire Products Limited Octane Chemicals Private Limited PELNEXT Defence Systems Private Limited Global Premier Limited	Premier Wire Products Limited
Memberships / Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	Premier Explosives Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member	Premier Explosives Limited - Stakeholders Relationship Committee (Member)	None
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Given in the Resolution proposed to be passed in the 45th AGM Notice.	Given in the Resolution proposed to be passed in the 45th AGM Notice	Given in the Resolution proposed to be passed in the 45th AGM Notice

By order of the Board
For **Premier Explosives Limited**

Sd/-
K. Jhansi Laxmi
Company Secretary
MNo:A16577

Place: Secunderabad
Date: August 12, 2025

CIN:L24110TG1980PLC002633
Registered Office:
'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana– 500015.
Ph: +91 40 66146801 to 3, Fax:+91 40 661406839
Email: investors@pelgel.com
Website:www.pelgel.com

Premier Explosives Limited

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