Premier Explosives Limited

LONG-TERM STRATEGIES DELIVERING RESULTS

42nd Annual Report 2021-22

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Disclaimer

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

LONG-TERM STRATEGIES DELIVERING RESULTS

FY22 results are a testimony of how we can sustain growth in the long term with our unique product development and manufacturing capabilities in defence and commercial explosives. Over the years we are the most successful company in India to develop high-energy materials in-house as well as through ToTs. In recent years our products have also gained traction in the international markets.

FY22 A YEAR IN REVIEW

Revenue

₹ 1,991 million

+30 % YoY

Operating Profit

₹ 223 million

PBT

₹ 73 million

Warheads and Fuses

Received' Industrial license' and PESO license for the 'manufacture of all types of Warheads and Fuses at Katepally, Telangana'; License validity is for Lifetime

Skilled Workforce

825 Employees

Engineers/Scientists

100

Second PSOM XL was delivered on 30.06.2021

Order Book

₹ 6,300 million

Order Book Break-up

55% Defence Products

22% Industrial Products

23% Special Services

Received order for
50MM FTV FLARES,
NFM & ROCKET MOTORS

Total Assets

₹ 3,234 million

ABOUT US

Premier Explosives Ltd is engaged in the manufacture of high energy materials and allied products for the defence, space, mining and infrastructure industries. The company has been developing and manufacturing solid propellants for rockets like Pinaka, tactical missiles like Astra, Akash, LRSAM / MRSAM / QRSAM, Brahmos, etc., strategic missiles like Agni, Veda and also strap-on-motors for satellite launch vehicles. The extended capabilities of the company include products such as chaff, IR flares, explosive bolts, pyro devices, smoke markers, cable cutters, tear gas grenades and many other products including pyrogen igniters for defence and space applications. The company is a pioneer in indigenising the technology for manufacture of explosives and accessories.

Vision

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

Mission

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

- A leading manufacturer of High Energy Materials
- Serving Defence Space and Mining Infrastructure Industries
- Highly trained manpower in handling high energy chemicals
- State of the art manufacturing facilities

CAPABILITY MATRIX

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

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

Counter-Measures
Chaffs
Flares

Premier Explosives Limited

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

Pyro Devices & Initiators
Pyro cartridges
Pyro actuators
IR flares/Smoke flares
Specialized squibs
Smoke/flash generators
Pyrogen Ignitors
Boron and Zirconiium based compounds

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

Premier Explosives Ltd (PEL) continues its technological journey in India's defence indigenization. Through research, development and manufacturing of high energy materials, the company is strengthening its product capability matrix in defence, aerospace and industrial explosives.

With a healthy order book which continues to be strengthened through regular additions of fresh orders from the defence and mining sector the company is staying on the course to reach its long term vision.

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

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

First company in India to indigenously manufacture Countermeasures for Indian defence

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

MANUFACTURING CAPABILITIES

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

Bulk Explosives

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

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.

INTELLECTUAL CAPABILITIES

Premier Explosives Ltd continues to strengthen its intellectual properties (IP) for manufacture of high energy materials for the defence and specialized fields. The company has proven abilities in product development through its R&D as well as commercialization of products through ToT from leading defence research establishments. PEL's R&D facility is recognized by the Department of Scientific and Industrial Research (DSIR), Government of India, as an established research centre. It is also recognized as a research base for Ph.D. work by the Gulbara University, Gulbarga, Karnataka. PEL's laboratory is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL).
PEL also has a collaboration with IIT, Madras and BITS Pilani, Hyderabad for research and development in high energy materials.

In-house development

- Pyrogen Igniters for Strategic missiles
- No smoke Propellant
- Low smoke propellant for LRSAM, MRSAM, QRSAM, NGARM etc.
- Sledge Rocket Motors
- IR flares
- Air Target Imitator Rocket

Products designed and developed for exports

- Rocket Motors from 60mm dia to 179 mm
- Warheads for missiles and rockets
- Micro dets and Booster Pellets

Our Marque Clients

Defence and Aerospace Client

Mining and Infrastructure Clients

CHAIRMAN'S MESSAGE

During the year under review, the Operating revenue of your company jumped 29.8% to ₹ 19,912.77 lakhs over the previous year's ₹ 15,337.19 lakhs. Your company earned a Net profit of ₹ 562.01 lakhs for FY22, which is a substantial improvement compared to the loss of ₹ 1074.47 lakhs for FY21.

Dear members

I am happy to present to you the annual report of your company for FY22.

Economic scenario

The global recession is being widely talked about in electronic and print media. Except for a few countries like Japan and China, many countries have been raising interest rates to contain the spiralling inflation. While Covid-19 triggered the economic instability a couple of years ago, the Russia-Ukraine conflict intensified the woes of the global economy. Though many parts of the world recovered from Covid-19, China continued to be under lockdowns and concerns about new variants of Covid are rising in frequent bouts though the infections have not been serious as they were in the initial phases.

Though prices are always determined by the dynamics of demand and supply, the current inflation is driven more by lack of supply, especially crude oil, edible oil and food grains. High prices of crude oil will push the price of every other thing. This scarcity is the direct impact of the Russia-Ukraine conflict. Increasing the interest rates will suck the money from the banking system and help to drowse the razing demand, current inflation can be decisively contained only by improvement in supplies.

In the backdrop of these concerns and uncertainties, International Monetary Fund has been trimming the world growth expectations for 2022 and said 'War Sets Back the Global Recovery' on the cover page of its report, World Economic Outlook, April 2022.

However, India's growth forecast, even the trimmed number, is much better than the world average and many other countries. An expected normal monsoon, the continued import of crude oil from Russia despite the ongoing war over Ukraine and encouraging policies like Production Linked Incentives (PLI), push for the creation of infrastructure, and indigenisation of defence production have secured India a bright spot on the global growth map.

Indian defence market

India's defence manufacturing sector has recorded production worth USD 10.9 bn in FY21. The government has set a target of USD 25 bn for FY25. This ambitious target is the result of two mutually non-exclusive forces. First, India wants to defend its borders from the two neighbours who have been increasingly aggressive in recent years. Second, India aims to reduce its dependence on the import of defence supplies and replace them with production within the country.

The opening of the Defence sector for private sector participation has been helping foreign Original Equipment Manufacturers (OEMs) to enter into strategic partnerships with Indian companies. This enables them to leverage the domestic markets as well as aim at global markets as a global sourcing partner. Besides helping in building domestic capabilities, it will also bolster exports in the long term, thereby increasing the forex inflow.

Other developments in the defence industry and indigenisation initiatives include:

- On October 27, 2021, India successfully launched the surface-to-surface ballistic missile, Agni-5, from the APJ Abdul Kalam Island, Odisha. The missile can strike targets up to 5,000 kilometres.
- The Defence Research & Development Organisation (DRDO) and Indian Air Force (IAF) successfully flight tested two indigenously-developed smart anti-airfield weapons in November 2021.
- Defence Research and Development Organisation (DRDO), India and the Directorate of Defence Research and Development (DDR&D), Israel, entered into a Bilateral Innovation Agreement (BIA) to promote innovation and R&D in dual-use technologies and to encourage MSMEs in this respect.
- In October 2021, India signed contracts and cleared projects worth ~Rs. 54,000 crore (US$ 7.21 billion) to enhance military capability with locally produced weapons and systems.
- In October 2021, the Ministry of Defence signed a contract with the US Government, under Foreign Military Sale (FMS), for the procurement of MK 54 torpedo and expendables (chaff and flares).
- In August 2021, the Defence Testing Infrastructure Scheme (DTIS) was approved by the Ministry of Defence to create a state-of-the-art testing infrastructure and boost domestic defence & aerospace manufacturing.
- In April 2021, under the Development cum Production Partner (DcPP) programme, Defence Research and Development Organisation (DRDO) allowed private sector firms to develop and produce missile systems, such as vertical launched surface and air missile programmes, to promote the domestic defence industry.
- In April 2021, Defence Research and Development Organisation (DRDO) developed an advanced chaff technology to safeguard naval ships against missile attacks. Defence Laboratory Jodhpur (DLJ), a DRDO laboratory, has indigenously developed three variants of this critical technology, namely short-range chaff rocket (SRCR), Medium Range Chaff Rocket (MRCR) and Long Range Chaff Rocket (LRCR) that meet Indian Navy's qualitative requirements.

The broader developments on the defence products front, together with the robust order book position assure bright prospects for the company in the years to come.

The world is reembracing coal

The Russia-Ukraine conflict has suddenly changed the dynamics of the global energy business. Before this conflict, every country was talking about reducing fossil-based power and gradually shifting to renewable power. Though preference for clean power would continue, in short term, it appears coal would dominate the scene of energy sources.

The European Union (EU) is facing curtailment in gas supply from Russia and is considering coal-based power as an alternative. China has decided to increase its reliance on low-cost coal to help boost its economy. India's import of coal increased considerably in June 2022.

These latest developments are expected to boost the demand for coal and consequential rise in demand for explosives.

Performance in FY22

During the year under review, the Operating revenue of your company jumped 29.8% to ₹ 19,912.77 lakhs over the previous year's ₹ 15,337.19 lakhs. Your company earned a Net profit of
₹ 562.01 lakhs for FY22, which is a substantial improvement compared to the loss of ₹ 1074.47 lakhs for FY21. The turnaround has been the result of higher volumes, better pricing and a greater proportion of defence supplies in the product mix.

Changes in the Board

During the year, Mrs Shonika Prasad was inducted as an additional director which represents the commitment of the promoter-family to the company.

Mr T.V. Chowdary, hither to Deputy Managing Director, was appointed Managing Director. He has been with the company for more than three decades, knows every detail of the company and is a strong leader who takes people along with him for accomplishing the organisation's goals.

I chose to continue as non-executive Chairman. This is a big change for me.

Now, I may use my spare time for my personal interests and choices, but I am committed to guiding the company as and when required. I would enjoy seeing the results of complete delegation and be happy to see the new leadership taking the company to new heights and horizons.

One important thing I learned in all my experiences is enterprises should develop the quality of perseverance. A setback here and there should not discourage them to deviate from the course they have chosen rationally. I urge the team to continue practising business ethics and corporate governance all the time.

I am grateful to all the shareholders, Board members, employees, customers, suppliers, banks, regulatory bodies, governments and all stakeholders for supporting the company in its progress.

Yours Sincerely

Dr A.N. Gupta
Chairman

REVIEW BY MANAGING DIRECTOR

FY22 results are a testimony of how we can sustain growth in the long term with our unique product development and manufacturing capabilities in defence and commercial explosives.

Dear Shareholders

I am delighted that the long term strategic intents of our company are delivering results. During FY22, the company achieved operating revenue of ₹ 19,912.77 lakhs, which is 29.8% higher compared to ₹ 15,337.19 lakhs for FY21. Net profit was ₹ 562.01 lakhs turning around from a net loss of ₹ 1,074.47 lakhs in the previous year

FY22 results are a testimony of how we can sustain growth in the long term with our unique product development and manufacturing capabilities in defence and commercial explosives. Over the years we are the most successful company in India to develop high-energy materials in-house as well as through ToTs. In recent years our products have also gained traction in the international markets.

Let me elaborate on the operating environment concerning opportunities and challenges in recent years and how we manoeuvred through the landscape.

Defence Indigenisation & PEL

From the significant beginning in defence indigenisation in 1983, when the government sanctioned the Integrated Guided Missile Development Programme (IGMDP) to develop five missile systems: Prithvi (surface-to-surface), Akash (surface-to-air), Trishul (the naval version of Prithvi), Nag (anti-tank) and Agni Ballistic missiles with different ranges. Defence product development and commercialisation have a long gestation period since conceiving the idea as each product has to undergo rigours R&D, pilot product development, testing, approvals and commercial production.

In recent years the indigenisation of defence products further gained momentum under the make-in-India programme however various products as I mentioned had to undergo numerous budgets, statutory sanctions, acquiring technology, manufacturing and testing. During such long gestation periods, companies in the private sector will go through challenging revenue cycles due to the time taken to align with the evolving external scenarios.

At PEL we had these challenges and most of our tested and proven products had to wait. Chaffs and flairs are just an example of how we successfully developed the products yet had to wait for the first breakthrough order. During such times we remained focused as well as all perused our product development initiatives. Today apart from the solid propellents supplied for India's boosting prestigious missile explosives we have close to ten different advanced products for the defence and space programme. These capabilities are unmatched by any other Indian private sector defence company.

Our Katepally project emerged successful during such challenging times and today we have started manufacturing from this facility. This unit received Industrial licenses and PESO license for the manufacture of all types of Rockets, Missiles, Warheads, bombs, mines and Fuzes.

Our strategic focus primarily consists of the following:

- In-House R&D for creating a healthy product pipeline
- Expanding organically for strengthening our manufacturing capabilities
- Having an experienced team of engineers and scientist
- Product development ahead of the times
- Engaging with customers on Productionisation as well as co-creating products to meet the demand in the Indian defence and space segments
- Having a prudential financial plan
- Avoiding all unviable projects/ biddings

Our Orderbook

We are stepping into FY23 with an order book of ₹ 630 crores which is the highest ever in our history. The company received significant orders in both defence and Bulk Explosives segment which includes an order for 50MM FTV Flares, an order from the Ministry of Defence (Army) for the supply of NFM - a new family of Munitions and an order from Singareni Collieries Company Limited for the supply of SME explosives, LDC Explosives and Accessories for blasting in OB removal at Open Cast Projects, export orders for Rocket Motors and Warheads

Going Forward

Our external environment continues to be favourable with an increased defence budget as well as various plans to procure niche products which are in our product portfolio. Budget 2022-23 is that Capital outlay got an allocation of ₹ 1.52 lakh crores compared to ₹ 1.39 lakh crores in the previous year. Another important feature is that 68% of the capital outlay is reserved for the procurement of domestic equipment which in turn will help companies like us.

With a strong order book and multiple opportunities emerging from our country as well as abroad I am confident that in FY23 and beyond we will be able to sustain our performance.

Regards

T V Chowdary
Managing Director

Today apart from the solid propellents supplied for India's boosting prestigious missile explosives we have close to ten different advanced products for the defence and space programme. These capabilities are unmatched by any other Indian private sector defence company

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PERFORMANCE HIGHLIGHTS

OPERATING REVENUE

(₹ in lakhs)

EBIDTA

(₹ in lakhs)

PAT

(₹ in lakhs)

BASIC EPS

(₹)

NETWORTH

(₹ in lakhs)

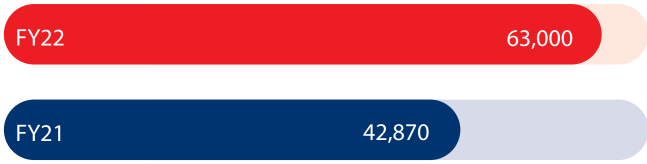
LONG TERM DEBT / EQUITY (RATIO)

REVENUE - DEFENCE

(₹ in lakhs)

ORDER BOOK

(₹ in lakhs)



10 YEARS AT A GLANCE

Statement of Profit and Loss	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Operating revenue (net of excise duty)	**19,912.77**	15,337.19	15,650.80	24,093.35	26,590.85	23,071.62	18,498.65	14,949.16	14,540.38	10,940.10
Other income	**189.68**	87.15	140.00	259.03	220.49	66.82	46.45	74.04	140.67	206.47
Total revenue (net)	**20,102.45**	15,424.34	15,790.80	24,352.38	26,811.34	23,138.44	18,545.10	15,023.20	14,681.05	11,146.57
EBIDTA	**2,228.32**	664.10	(516.70)	2,343.80	2,001.64	2,839.38	1,760.73	1,254.34	1,626.20	968.57
Other income	**189.68**	87.15	140.00	259.03	220.49	66.82	46.45	74.04	140.67	206.47
Depreciation	**(937.48)**	(597.00)	(496.98)	(418.91)	(363.35)	(346.42)	(332.39)	(330.07)	(235.22)	(214.50)
Finance costs	**(750.76)**	(735.30)	(577.26)	(552.27)	(514.84)	(437.33)	(374.49)	(236.08)	(236.15)	(179.89)
Profit before exceptional items and tax	**729.76**	(581.05)	(1,450.94)	1,631.65	1,343.94	2,122.45	1,100.30	762.23	1,295.50	780.65
Exceptional items	**-**	(908.01)	-	-	-	58.15	(269.46)	-	-	(37.06)
Profit before tax	**729.76**	(1,489.06)	(1,450.94)	1,631.65	1,343.94	2,180.60	830.84	762.23	1,295.50	743.59
Tax	**-167.75**	414.59	492.70	(459.10)	(470.53)	(705.51)	(263.33)	(230.18)	(374.19)	(209.67)
Profit for the year	**562.01**	(1,074.47)	(958.24)	1,172.55	873.41	1,475.09	567.51	532.05	921.31	533.92
Other comprehensive income (net)	**-59.98**	(71.40)	17.53	(81.32)	(78.76)	-	-	-	-	-
Total comprehensive income	**502.03**	(1,145.87)	(940.71)	1,091.23	794.65	1,475.09	567.51	532.05	921.31	533.92
EBIDTA / Operating revenue	**11.2%**	4.3%	-3.3%	9.7%	7.5%	12.3%	9.5%	8.4%	11.2%	8.9%
PBT / Total revenue	**3.6%**	-9.7%	-9.2%	6.7%	5.0%	9.4%	4.5%	5.1%	8.8%	6.7%
PAT / Total revenue	**2.8%**	-7.0%	-6.1%	4.8%	3.3%	6.4%	3.1%	3.5%	6.3%	4.8%

Balance sheet	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Non-current assets										
Fixed assets and Intangible assets	**23,199.07**	22,262.59	14,828.22	14,516.27	12,839.47	12,531.64	6,358.83	6,188.84	5,790.31	5,207.03
Depreciation and Amortisation	**(5,237.57)**	(4,346.07)	(3,763.01)	(3,268.54)	(2,849.93)	(2,495.60)	(2,413.78)	(2,090.47)	(1,675.68)	(1,449.81)
Capital work in progress	**369.82**	175.65	6,169.62	3,482.52	1,579.17	368.96	241.82	41.40	166.17	91.69
	18,331.32	18,092.17	17,234.83	14,730.25	11,568.71	10,405.00	4,186.87	4,139.77	4,280.80	3,848.91
Right of Use asset (Leasehold land)*	**76.12**	76.93	77.74							
Investment property	**8.02**	8.02	8.02	8.02	8.02	8.02				
Investments	**531.00**	531.00	531.00	531.00	531.00	526.00	525.00	520.00	520.00	520.00
Other non-current assets	**1,020.48**	729.55	1,012.61	1,087.32	730.20	630.23	511.46	329.93	407.87	548.48
Current assets	**12,374.05**	9,974.59	11,763.65	13,233.78	17,779.77	10,482.90	7,745.98	6,336.75	5,524.17	4,073.08
Total assets	**32,340.99**	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45	10,732.84	8,990.47
Share capital	**1,075.22**	1,075.22	1,075.22	1,075.22	1,063.71	885.86	885.86	885.86	835.86	812.75
Other equity / Resesrves and surplus	**17927.72**	17,425.69	18,571.56	19,862.25	18,613.11	12,838.51	5,659.27	5,305.00	4,809.80	4,032.93
Share warrants					148.80	-	-	-	77.21	-
Networth	**19,002.94**	18,500.91	19,646.78	20,937.47	19,825.62	13,724.37	6,545.13	6,190.86	5,722.87	4,845.68
Non-current liabilities										
Financial liabililties	**516.65**	1,031.05	405.32	660.39	818.76	704.72	105.20	138.47	390.30	508.33
Provisions	**532.71**	510.29	391.14	312.24	269.38	312.78	233.66	177.55	124.80	84.96
Deferred tax liability	**684.93**	514.09	924.34	1,410.28	1,354.17	339.01	408.50	587.27	638.59	562.56
Current liabilities	**11,603.76**	8,855.92	9,260.27	6,269.99	8,349.77	6,971.27	5,676.82	4,232.30	3,856.28	2,988.94
Equity and liabilities	**32,340.99**	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45	10,732.84	8,990.47
Return on capital employed	**7.8%**	-4.1%	-4.4%	9.4%	8.3%	17.4%	16.5%	14.1%	22.3%	15.4%
Return on networth	**2.6%**	-6.2%	-4.8%	5.2%	4.0%	10.7%	8.7%	8.6%	16.1%	11.0%
Long term Debt / Equity	**0.03**	0.06	0.02	0.03	**0.04**	**0.05**	**0.02**	**0.02**	**0.07**	**0.10**
Current ratio	**1.07**	1.13	1.27	2.11	2.13	1.50	1.36	1.50	1.43	1.36

Per share	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Book value per share - ₹	**176.73**	172.07	182.72	194.73	184.98	154.93	73.88	69.89	67.54	59.62
Earnings per share - ₹	**5.23**	(9.99)	(8.91)	11.00	8.42	16.65	6.41	6.10	11.25	6.57
Dividend per share - ₹	**1.50**	-	-	2.70	2.50	3.00	2.00	2.00	2.70	2.50
No. of shareholders	**9,311**	9,386	9,707	10,428	10,258	9,715	9,085	8,811	5,895	6,135

Note: Figures from 2017-18 are as per Ind AS
* new classfication from 2019-20

BOARD OF DIRECTORS

Dr. A.N.Gupta
Chairman

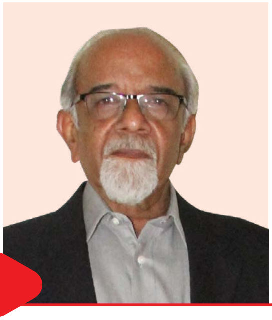
T V Chowdary
Managing Director

Y Durga Prasad Rao
Director (Operations)

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

Shonika Prasad
Non-Executive Director

P R Tripathi
Independent Director



AnilKumar Mehta
Independent Director

K.Ramarao
Independent Director

Dr. A Venkataraman
Independent Director

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

Dr. A.N.Gupta
Chairman

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

T V Chowdary
Managing Director

A chemical engineer with over 40 years of experience in production of explosives, detonators, petrochemicals, coal tar chemicals, solid propellants and mushrooms.

Y. Durga Prasad Rao
Director Operations

A mechanical engineer having 35 years experience in manufacture of explosives, propellants, refractories and also in factory management

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

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

Shonika Prasad
Non-Executive Director

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

P R Tripathi
Independent Director

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

Anil Kumar Mehta
Independent Director

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

K Ramarao
Independent Director

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

Dr. A Venkataraman
Independent Director

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

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

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

SENIOR MANAGEMENT

T V Chowdary
Managing Director

Y. Durga Prasad Rao
Director Operations

Srihari Pakalapati
Chief Financial Officer

Mrs. K. Jhansi Laxmi
Company Secretary

Col Shailendra Pathak (Retd)
President Marketing

Gangraj Tadinada
Vice President Marketing

Y. Krishna Rao
Vice President (Accounts)

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

S Janardhan
Vice President (Production)

CORPORATE INFORMATION

Board of Directors
Dr. A. N. Gupta
Chairman

T.V. Chowdary
Managing Director

Y. Durga Prasad Rao
Director Operations

Dr. (Mrs) Kailash Gupta
Non-Executive Director

Shonika Prasad
Non-Executive Director

P.R. Tripathi
Independent Director

Anil Kumar Mehta
Independent Director

K. Rama Rao
Independent Director

Dr. A. Venkataraman
Independent Director

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

Company Secretary & Compliance Officer
Mrs. K. Jhansi Laxmi

Chief Financial Officer
Srihari Pakalapati (from 24.05.2021)

Audit Committee
P.R. Tripathi (Chairman)
Anil Kumar Mehta
K. Rama Rao
Dr. A. N. Gupta

Stakeholders Relationship Committee
Anil Kumar Mehta (Chairman)
T.V. Chowdary
Dr. (Mrs.) Kailash Gupta

Nomination & Remuneration Committee
P.R. Tripathi (Chairman)
Anil Kumar Mehta
K. Rama Rao
Dr. A. N. Gupta

Corporate Social Responsibility Committee
P.R. Tripathi (Chairman)
Dr. (Mrs.) Kailash Gupta
T.V. Chowdary

Independent Auditors
Majeti & Co
Chartered Accountants, Hyderabad

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

Secretarial Auditors
K.V.Chalama Reddy
Company Secretary , Hyderabad

Bankers
State Bank of India
HDFC Bank
Yes Bank

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

Corporate Identification Number
L24 110TG 1980 PLC 002633

Listing
BSE & NSE

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

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

People
Premier's workforce consists of
about 825 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)

CORPORATE SOCIAL RESPONSIBILITY

Premier Explosives continues to support HelpAge's Mobile Healthcare Program under which sustainable healthcare solutions are provided to the elderly in economically backward areas of Telangana.

Currently PEL supports a MMU which covers 10 villages in Yadadri Bhuvanagiri District of Telangana, close by to PEL's factory located in Peddakandukuru. The MMU apart from the basic medical equipments and medicines, consists a team of healthcare and social service experts. MMUs are conveniently accessible for elders than hospitals since the mobile healthcare units can reach nearer to the needy. MMUs have been more beneficial during the Covid outbreak as it helped elders not venturing away from their locations. Elders also get free medication on a monthly basis. Their Individual patient card keeps a record of their treatment and helps monitor their progress.

CSR Expenditure in FY22

₹ 11.86 lakhs

MHU FY22 Activities

- Provided 17,610 treatments to MHU beneficiaries
- Conducted 89 Awareness camps and 3600 people are covered in all MHU sites and Health Camps.
- We are provided 2255 treatments in 68 Health Camps in nearby villages and educate the people about the MHU Activities and free health services at regular sites.
- 11 Home visit were done to the beneficiary who are unable to come to site.
- Conducted Diabetes week long Awareness campaign in November'21 and 146 RBS tests
- We had Registered 41 new beneficiaries.
- We were Linkages 23 Elders to cataract surgery completed at Referral Hospital

MHU FY22 Awareness Programs

- We celebrated World No Tobacco Day – 2021 on 31st May week long Campaign in MHU sites. Focus on Government need to establish the "special counselling centers" to tobacco quitter's
- We had celebrated World Elder Abuse Awareness Day -2021 on 15th June weekly Campaign in MHU sites. Here we demand for accessible Justice and immediate protection to elders through Specially "Elder Protection commission".
- Every Day beneficiary were educated about Seasonal Diseases and proper sanitizing, wearing a masks and Maintaining of physical distance, Do' and don't. Myths and Facts about Covid-19.

MANAGEMENT DISCUSSION AND ANALYSIS

Economy

As we step into the third quarter of the calendar year 2022, we find the global economies struggling amidst uncertainties. Households are worried about spiralling prices of essential items. Their incomes are unable to cope with the rising expenses. They are worried about the repayment of housing and other loans as inflation has been eating into their savings. On the other hand, Businesses are concerned about shrinking revenues, surging raw material costs and elevated interest rates.

In the business cycle of Expansion-Peak-Contraction-Trough, it appears we crossed the expansion and peak phases a few months ago and are entering the 'contraction' phase now. When actual production is less than the potential, we call it contraction. The last phase, the trough, might be a bit far.

IMF's World Economic Outlook July 2022 report came out with the caption 'Gloomy and More Uncertain' and said Global output contracted in the second quarter of this year. The reasons cited include the Covid-19 pandemic, higher-than-expected inflation worldwide, tighter financial conditions, worse-than-anticipated slowdown in China, and Russia's attack on Ukraine. As per the report, global growth would slow down from 6.1% in 2021 to 3.2% in 2022 and 2.9% in 2023.

The report expected India's growth at 7.4% in the calendar year 2022, compared to 8.7% in 2021. It is comfortable to note India's projected growth is much higher than the world's average of 3.2%, the USA's 2.3%, China's 3.3% and Japan's 1.7%.

There are quite a few favourable factors for our country being better placed than most other nations. Primarily ours is a demand-driven economy blessed with economically strong fundamentals. South-west monsoon, the lifeline to our agricultural sector, has endowed a rainfall 7% higher than normal level and covered the entire country by 11 July 2022. We have been able to continue importing crude oil from Russia despite the ongoing clashes. RBI has been exercising tight control over the liquidity in the banking system by raising interest rates optimally. The government has been announcing encouraging policies like Production Linked Incentives (PLI), push for the creation of infrastructure, faster indigenisation of defence supplies, and expansion of capital expenditure. With these strengths, India is confident of sailing through the challenging winds and tides safely and decisively.

Defence industry

Securing the borders occupies the top priority for any country. The Russia-Ukraine war has been a strong wake-up call for several countries, especially the European countries who had been thinking that armed conflict was relegated to history. Post this war, those countries started pledging increased spending on defence to secure their countries and protect their freedom and democracy. Finland and Sweden, neutral for a long, are about to join NATO, signifying the importance of safeguarding the country.

Apart from saving individual country borders, safeguarding the economic spheres also has become important for the free passage of goods. In recent years China has been exhibiting assertion of sovereignty over the South China Sea, threatening access to open sea lines in Indo-Pacific. These conditions have led to strengthening the QUAD alliance between the USA, Australia, Japan and India.

On our home front, the 3,500 km long India-China border and the 3,300 km long India-Pakistan border have never been peaceful, forcing India to be alert and remain prepared for any eventuality.

In a world of conflicts, actual, perceived and anticipated, global spending on defence has been increasing over the years. It reached USD 1,907 billion in 2020, an increase of 2.6% over 2019, despite the impact of Covid-19. The USA ranked Numero Uno with USD 767 bn, followed by China with USD 245 bn. India stood distant third with USD 73 bn.

Defence Budget 2022-23

Against the backdrop of multiple security developments such as the stand-off with China in eastern Ladakh and likely scale up Pak-supported terrorist activities on the western borderline, India allocated ₹ 5.25 lakh crores for defence in the Budget 2022-23, which is about 10% over the previous year.

Historically, lion's share of the defence budget goes towards salaries and pensions. Capital outlay of the defence budget is what goes towards the procurement of equipment, whether domestic or imported. One positive development in Budget 2022-23 is that Capital outlay got an allocation of ₹ 1.52 lakh crores compared to ₹ 1.39 lakh crores. Another important feature is that 68% of the capital outlay is reserved for the procurement of domestic equipment.

Highlights of the budget include:

- Overall defence budget ₹ 5.25 lakh crore, 9% higher than the previous budget
- Defence capital outlay ₹ 1.52 lakh crores, a 12% hike from the previous one
- Modernisation funds for the Indian Navy ₹ 47,590.99 crore, a 43% hike
- 68% of the capital outlay is reserved for the procurement of domestic equipment
- 28% of the R&D budget is earmarked for private industry, start-ups and academia
- Private industry will be encouraged to take up the design and development of military platforms and equipment in coordination with DRDO

A webinar Aatmanirbharta In Defence – Call To Action was held in February 2022 which was addressed by the Prime Minister and attended by defence officials and industry representatives. The government agreed for Setting up an Independent Nodal Umbrella Body to meet Wide-ranging Testing And Certification Requirements. This is a forward-looking and far-reaching step given the following dynamics of defence production.

- Ministry of Defence or Defence PSUs only are having testing facilities in India, and those facilities are under-utilised

- Testing ranges are capital intensive, and it takes a long time and a lot of investment to establish new testing ranges in the private sector
- Testing and Certification are crucial for the design and development of new products and their production in the indigenisation model through private sector participation along with public sector
- India's defence preparedness must be customised to its environment and be a unique system. Such preparedness cannot be achieved without developing new products quickly and within India and testing certifications are imperative toward that end
- To enhance exports, defence products need to undergo rigorous testing/trials as per international standards so that they can be certified at par with international products
- For enhancing defence preparedness, modernisation of equipment is a continuous process and modernisation requires testing and certifications
- An independent umbrella body for testing and certifications would help serve the needs of the defence industry as well as the needs of the armed forces

Coal mining

In recent years, green energy, clean energy and renewable energy have become cool words and occupied centre-stage in media. As the momentum behind Net Zero is growing, coal is considered dirty, and its mining is wished to be relegated to history sooner.

But the reality is different, at least from a medium-term perspective. As per the report 'Coal 2021 Analysis and Forecast to 2024' released by the International Energy Agency (IEA), coal demand is anticipated to grow slower in 2022, surpassing the record of 2013 in 2022 and then rising to an all-time high of 8,031 million tonnes in 2024. Most of the increased demand is expected from China, India and the countries of Southeast Asia where coal continues as the central pillar of power generation. Low-carbon sources can meet most but not all additional demand for power, leaving the gap to be filled by gas and coal. Given that the report was made sometime in 2021 and before Russia attacked Ukraine and given the possible revival of coal-based power generation in Europe if gas supply from Russia is curtailed, the demand for coal in 2024 could exceed the volumes projected by IEA.

Production of coal in India increased to 777.31 mt in FY22, an increase of 8.55% over FY21. Out of this, 622.640 mt was contributed by Coal India Limited with a growth of 4.43% and 65.02 mt was by Singareni Collieries Company Limited with a growth of 28.55%. Balance of coal was produced by TISCO, IISCO, DVC and others.

For FY23, India set a target of producing 911 mt of coal which is higher by 17.2% compared to the actual production in FY22. Against this annual target, actual production in the first quarter reached 204.88 mt or 22.5%.

The global market for explosives

The global explosives market size which was USD 40.60 billion in 2021 is expected to grow by 4.2% and reach USD 42.30 billion in 2022. These numbers include explosives such as C4, HMX, PETN, RDX, TNT, TATP, Dynamite and ANFO used in both military applications and civilian applications. The explosives market is expected to reach USD 49.87 billion in 2026, as per a report by The Business Research Company.

Production of explosives in India

During the year FY21, production of all kinds of explosives increased, except gun powder and detonators.

Description	Class	Division	UoM	2020-21	2019-20	Change
Gun powder	1		tons	462.40	605.96	-23.7%
Cartridges	2		tons	538,556.55	519,111.37	3.7%
Site mixed explosives	2		tons	930,642.81	896,284.82	3.8%
Booster and PETN	3	2	tons	11,102.75	10,598.27	4.8%
Safety fuse	6	1	million meter	38.99	35.01	11.4%
Detonating fuse	6	2	million meter	817.73	754.22	8.4%
Detonators	6	3	million number	1,087.68	1,177.20	-7.6%

Source: peso.gov.in

Demand drivers for explosives

Coal mining constitutes the major customer for explosives. As demand for power is expected to grow both in short term and long term. Renewable energies are preferable from an environmental angle, but building solar plants and windmills are not yet ready at the required scale. Low-carbon natural gas is a competitor for coal, but the ongoing Russia-Ukraine threatened the supply of natural gas to Europe and they are considering the revival of thermal coal power plants for energy security.

Growing population, rapid urbanisation and continuing industrialisation require the construction of houses, commercial buildings, roads, and factories. The government has been encouraging the creation of infrastructure through various schemes like Sagar Mala, Housing for All and PM GatiShakti National Master Plan which will result in demand for cement and metals which require explosives for extracting minerals and metals.

Business updates

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

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

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

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

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

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

- **Katepally project**

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

- **Ammonium Nitrate storage at Godavarikhani**

  The Company has received license from Joint Chief Controller of Explosives, Secunderabad for Sight Mixed Emulsion manufacturing Plant at Musthyala Village situated at Godavarikhani, Telangana State. This new license will enable the Company a substantial saving on transportation cost. The Company has also received licenses for bulk storage of Ammonium Nitrate (Solid) and Ammonium Nitrate (Melt) at Musthyala Village, Godavarikhani, Telangana

- **Major orders received**

  The company received significant orders in both defence and Bulk Explosives segment due to which the order book has gone up to ₹ 630 Crores.

  Received order for 50MM FTV Flares

  Received order from Ministry of Defence (Army) for supply of NFM - new family of Munitions for a total value of ₹ 44.58 Crores

  Received order from Singareni Collieries Company Limited (A Government Company) for supply of SME explosives, LDC Explosives and Accessories for blasting in OB removal at Open Cast Projects of SCCL worth ₹ 104.84 Crore.

Analysis of financial performance (Consolidated)

The analysis in this section relates to the consolidated financial results of the year ended March 31, 2022. The financial statements of the company and its joint venture are prepared as per the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

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

During FY22, the company achieved operating revenue of ₹ 19,912.77 lakhs, which is 29.6% higher compared to ₹ 15,363.44 lakhs for FY21. Net profit was ₹ 522.20 lakhs turning around from a net loss of ₹ 1,095.73 lakhs in the previous year. An analysis of revenue and expenditure is provided below.

Revenue

(INR in lakhs)	FY22	FY21	Change
Operating revenue	19,912.77	15,363.44	29.6%
Other income	281.77	93.46	201.5%
Total revenue	20,194.54	15,456.90	30.7%

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

Geographical revenue

(INR in lakhs)	FY22	FY21	Change%
India	17,192.63	13,314.64	29.1%
Other countries	2,720.14	1,905.66	42.7%
Operating revenue	19,912.77	15,363.44	29.6%

The increase in other income is primarily on account of profit on the sale of fixed assets, foreign exchange gain and writing back of excess provisions made in earlier years.

Cost of materials

(INR in lakhs)	FY22	FY21	Change
Cost of materials	9,374.31	6,986.73	
Purchase of stock in trade	165.51	322.89	
Changes in inventories	185.26	51.25	
Total materials	9,725.08	7,360.87	32.1%
Operating revenue	17,686.42	12,990.68	36.1%
Cost of materials / Operating revenue	55.0%	56.7%	

During the year defence explosives constituted a higher ratio in product mix helping in the reduction of overall raw materials ratio to revenue.

Employee benefits

(INR in lakhs)	FY22	FY21	Change
Employee benefits	4,644.86	4,765.03	-2.5%
% of Total Revenue	23.3%	31.0%	

The decrease in employee costs during FY22 is because of the closure of the operations in one of the O & M Contract at Jagdalpur. The contract was ended in July 2021. In addition the VRS given in FY 2020-21 was also one of the cause for the reduction of Man power costs. The company has generated higher revenue without a corresponding increase in employee costs which indicates a case of leveraging the fixed costs.

Finance costs

(INR in lakhs)	FY22	FY21	Change
Finance costs	725.67	704.96	2.9%
% of Revenue	3.6%	4.6%	

Despite the rise in revenue by 30.7%, finance costs have been kept under control which increased by only 2.9%.

Depreciation and Amortisation

(INR in lakhs)	FY22	FY21	Change
Depreciation and Amortisation	950.4	627.3	51.5%
% of Revenue	4.8%	4.1%	

The increase in Depreciation and Amortisation is due to the capitalization of Katepally project in March 2021. The Depreciation and Amortisation cost of Katepally project is charged in the whole financial year 2021-22 as against nominal charge in FY 2020-21.

Other expenses

(INR in lakhs)	FY22	FY21	Change
Other expenses	3,388.80	2,536.22	33.6%
% of Revenue	17.0%	16.5%	

The increase in other expenses by 33.6% is mainly on packing materials, power, freight and selling expenses which are variable with production and sales. The higher repair cost also constituted the increase.

Balance sheet items (Assets)

- Increase in CWIP from ₹ 175.65 lakhs to ₹ 369.82 lakhs represents the construction of further storage facilities at Katepally etc.
- Other non-current assets increased to ₹ 715.93 lakhs from ₹ 521.04 lakhs. The increase is mainly on account of capital advances paid to the suppliers of machinery.
- Receivables increased from ₹ 4,579.39 lakhs to ₹ 7,155.10 lakhs in tandem with the increase in sales, especially during the last quarter.
- Decrease in Other current assets from ₹ 1,213.15 lakhs to ₹ 1,086.48 lakhs is mainly on account of lower balances with government authorities.

Balance sheet items (Liabilities)

- The non-current borrowing decreased from ₹ 1,022.40 lakhs to ₹ 508.00 lakhs due to repayment of term loans and shifting of current maturities of term loans to current borrowings.
- Current borrowings increased to ₹ 7,282.20 lakhs from ₹ 4,790.48 lakhs as the company required more working capital funds in the form of cash credit, packing credit and buyers credit to facilitate the increased procurement, stocking and selling operations during the year. The increase also includes current maturities of term loans shifted from non-current borrowings to current borrowings.
- Trade payables increased from ₹ 1,689.63 lakhs to ₹ 2,118.31 lakhs in line with the increased procurement of raw materials and other items.
- Other financial liabilities decreased from ₹ 1,437.01 lakhs to ₹ 941.21 lakhs mainly due to the payment of dues to workers as per wage agreement.
- Other current liabilities increased from ₹ 624.69 lakhs to ₹ 823.12 lakhs and the increase mainly represents the higher amount of advances received from customers.

Key financial ratios:

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.12	1.15	-3%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.41	0.31	31%
c) Debt service coverage ratio (in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	2.30	0.41	462%
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	3%	-6%	8%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	4.69	3.19	47%
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	3.39	3.28	3%
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	5.01	3.67	36%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	14.66	11.55	27%
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	2.62%	-7.13%	9.75%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	4.15%	0.02%	4.13%

Credit rating

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

Risks and mitigation

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, which include the following:

Risk	Description	Mitigation
COVID-19 risk	First identified in December 2019 in Wuhan, China, it is an infectious disease and has resulted in an ongoing pandemic affecting almost all the countries. In financial terms, market demand and supply chains have been affected causing global economic recession.	The company has been following the lock-down / relaxation guidelines prescribed by the government. Plants and offices have been taking precautions such as sanitization, social distancing, no entry without mask, etc. Delivery schedules and payment terms are being renegotiated with customers and suppliers to mitigate contract obligation risks.
Project risk	The company has been executing various projects for enhancement of capacity as well as establishment of manufacturing facilities for new products. These capital projects may be exposed to time and cost overruns.	To mitigate these risks, the technocrat management developed in-house design of equipment to the extent possible. The management also closely follows up the execution of projects to meet the deadlines.
Market and Competition risk	Industrial explosives business is linked to mining and infrastructure activity which have not been faring well in recent times. Further, there has been intensive competition in the industry with entry of new units.	To mitigate this risk, the company is exploring new markets including export markets. The company is also focusing on defense products which are expected to grow into a reasonably large stream of revenues to add diversity to the product portfolio.
Safety measures	Both raw materials and finished goods are high risk items during production and handling.	Apart from strict adherence to mandatory safety measures, the company has developed an alternative chemical compound as primary explosive in production of detonators. This alternative chemical is less sensitive shock & friction and hence is safer than its traditional counterpart. The company which is already an ISO 9000 compliant for industrial products is now AS 9100D certified. The company gives utmost priority for the safety of its employees as well as the manufacturing assets. These measures are expected to make the systems function in accordance with safety standards.
Raw material price risks	Ammonium nitrate and fuel oil form major part of raw materials in manufacture of explosives and those raw material prices are influenced by international dynamics.	This risk is mitigated by price escalation clauses in supply contracts whereby selling prices are periodically adjusted for the changes in prices of main raw materials. The company also uses a mix of domestic and imported ammonium nitrate taking into account the landed cost of the materials in both the options. As such risk absorption clauses are not available in supply of other products, the company takes all efforts to control the overall cost of manufacture, including backward integration.

Internal financial controls and their adequacy

Your company has established necessary internal financial controls and has got them assessed by professionals in the field during the year.

Your company has been utilising an ERP system for recording all financial transactions with built-in checks and balances. This has been helping in the preparation of financial statements and other reports accurately, reliably and timely.

Management reviews the operations regularly. Independent auditors, internal auditors, cost auditors and secretarial auditors verify financial and other information from their respective angles on intervals as are required.

Board and its committees review the quarterly and annual financial statements in conjunction with the financial policies, assurances through auditors' observations and management responses and certifications.

Based on the above measures your company is confident that internal controls are in place, are adequate and are reasonably working.

Material developments in human resources / industrial relations including the number of employees

Your company has 825 employees as of March 31, 2022 (975 a year ago). Relations between the management and employees have been cordial. Employees have been imparted training in their respective areas for better performance. The management acknowledges the contributions made by every employee and records its appreciation for the cooperation extended by them at all levels.

DIRECTORS' REPORT

Dear Members

Your directors are pleased to present the 42nd annual report including the audited financial statements of your company for the year ended March 31, 2022.

1. Financial summary

(₹ in lakhs)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Profit / (Loss) for the year				
Operating revenue	**19,912.77**	15,337.19	**19,912.77**	15,363.44
Other income	**189.68**	87.15	**281.77**	93.46
Total revenue	**20,102.45**	15,424.34	**20,194.54**	15,456.90
EBIDTA	**2,228.32**	664.10	**2,093.12**	632.11
% to Operating revenue	**11.20%**	4.30%	**10.50%**	4.00%
Profit / (Loss) before tax	**729.76**	(1,489.06)	**698.82**	(1,514.70)
Profit / (Loss) after tax	**562.01**	(1,074.47)	**522.20**	(1,091.64)
% to Total revenue	**2.80%**	-7.07%	**2.58%**	-7.06%
EPS (₹)	**5.23**	(9.99)	**4.93**	(10.15)
Appropriations				
Retained earnings at beginning of the year	**8,261.99**	9,336.46	**8,236.60**	9,328.24
Profit / (Loss) for the year	**562.01**	(1,074.47)	**530.01**	(1,091.64)
Non-controlling interest				
Dividend paid for previous year and tax thereon	**0.00**	0.00	**0.00**	0.00
Retained earnings at end of the year	**8,824.00**	8,261.99	**8,766.61**	8,236.60

2. State of affairs

The performance of the company has improved significantly during the year despite of the serious covid situation and also the challenges in SMS due to the abnormal price increase of Major raw materials. The company's long term strategy has started delivering the results. Resultantly, turnover has gone up to ₹ 19,912.77 lakhs from ₹ 15,337.19 lakhs during previous year. Operating EBIDTA also gone up significantly to ₹ 2,228.32 lakhs compared to ₹ 664.10 Lakhs in previous year which was mainly due to the favourable product mix and cost control efforts. Profit after tax stands at 562.01 lakhs as compared to (₹ 1,074.47 Lakhs) for the year 2020-21.

3. Operations

Production of detonators was 24.43 million pieces as against 19.06 million pieces in previous year. The Company has executed significant portion of the supply order for Countermeasures during the year in addition to the other defence orders. Resultantly the revenues have gone up significantly in defence segment.

Operations & maintenance contracts at Sriharikota has been satisfactory during the Financial Year 2021-22. O&M contract at Solid Fuel Complex, Jagdalpur came to an end on first week of July 2021.

The production of bulk explosives declined to 6,221 tonnes from previous year's 10,047 tonnes. The abnormal increase in Ammonium Nitrate price has effected the performance of Bulk explosives negatively during the year.

4. Capital expenditure

During the year the company incurred the capital expenditure of ₹ 807.14 lakhs on fixed assets and ₹ 194.95 lakhs on intangible assets .

5. Dividend

The Board of Directors of your company, at their Meeting held on May 26, 2022, has recommended payment of ₹ 1.50/- (Rupees One and Fifty paise only) (15%) per equity share, as final dividend for the financial year ended March 31, 2022. 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 2021-22 would aggregate to ₹ 161.28 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.

6. Share capital and reserves

a) Share capital

The paid up Equity Share Capital of the Company as on March 31, 2022 was ₹ 10,75,22,390/- divided into 1,07,52,239 equity shares of ₹ 10/- each fully paid up. There was no change in the Share Capital during the year under review.

b) Transfer to Reserves

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

7. 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.

8. Change in the nature of business, if any

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

9. Material changes and commitments after the reporting period

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

10. 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. 0.85 lakh during 2021-22 (Rs.0.81 lakh during 2020-21).

As on 31st March, 2022, 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.

The company incurred a net loss of ₹ 39.04 lakhs during the year ended March 31, 2022 and the company has accumulated loss of ₹ 52.51 lakhs as at March 31, 2022 (Revenue of ₹ 26.25 lakhs and loss of ₹ 20.45 lakhs during previous year).

As on 31st March, 2022, Premier Explosives Limited held 52,00,000 Equity shares in PWPL representing 80% of their equity share capital.

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

This joint venture is yet to commence commercial operations. The company incurred a net loss of ₹ 1.11 lakh during 2021-22 (₹ 0.44 lakh during 2020-21).

Your company and Kalyani Strategic Systems Limited, each hold 1,00,000 equity shares in the share capital of BFPES, as on 31st March, 2022.

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.

11. Impact of COVID-19

The outbreak of COVID-19 pandemic had its impact over the health of people and world economy.

The second wave of COVID during April -May has also affected our billings to some extent. Your company has witnessed gradual return to normalcy from second quarter of the year 2021-22.

12. Future outlook

Your company places priority on defence explosives and continues commercial explosives on feasibility basis.

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

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

Special focus on overseas market started yielding the results and the company is getting high value export orders from various countries. Indian Defence exports have grown almost six times from ₹ 1,500 crore to ₹ 9,000 crore in the past five years.

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

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

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

The operations in Bulk explosives division are also getting stabilized with the retendering from large mining companies and also the cooling off the commodity / raw material prices.

13. Board matters

A. Directors' Responsibility Statement pursuant to 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, 2022, 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, 2022 and of the profit 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 those systems have been 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 2021-22, Seven (7) Board meetings were convened and held on 24th May, 2021; 28th June, 2021; 29th July, 2021; 3rd September, 2021; 28th October, 2021; 7th January, 2022 and 14th February, 2022.

D. Board evaluation

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

E. Directors and Key Managerial Personnel

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

Directors

Retirement by Rotation

Dr. (Mrs.) Kailash Gupta, (DIN:00054045) Non-Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment and the resolution under item No.2 seeking approval of the Members for her re-appointment has been incorporated in the Notice convening the 42nd Annual General Meeting of the Company along with brief details about her. Further in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) REgulations, 2015, Special Resolution is proposed for approval of the shareholders for appointment/ continuation of the directorship of Dr. (Mrs.) Kailash Gupta (DIN:00054045), who has crossed the age of 75 years under item No. 5 of the notice

Reappointment of Director-operations

Mr. Y. Durga Prasada Rao, (DIN:08072805) appointed as Director (Operations) of the Company for a period of three years from 10th August, 2019 upto 9th August, 2022. The Board, on the recommendation of the Nomination and Remuneration Committee and after evaluating his performance and the valuable contribution made by him in the progress of the Company, has approved his re-appointment for a further term of Five (5) years commencing from 10th August, 2022, subject to approval of the shareholders. Accordingly, resolution seeking his re-appointment for a further term of Five years and brief details of Mr. Y. Durga Prasada Rao are given in the notice convening 42nd Annual General Meeting of the Company.

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 42nd AGM, forming part of the Annual Report.

Appointments, Resignations and Changes

During the year under review, the Members at the AGM held on September 29, 2021 through special resolution had re-appointed Lt.Gen P R Kumar (DIN: 07352541)as an Independent Director for a second consecutive term of five years commencing from November 02, 2021 to November 01, 2026.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on January 07, 2022 had appointed Mrs. Shonika

Prasad (DIN:00250015) as an Additional Director (Non-Executive, Non-Independent) of the Company which was approved by the Members through Postal Ballot on February 12, 2022.

During the year under review, Dr. Amarnath Gupta, (DIN:00053985) Chairman and Managing Director of the Company relinquished his position of Managing Director on completion of his term on February 13, 2022. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on January 07, 2022 approved the re-designation/continuation of Dr. Amarnath Gupta, aged 76 years, as Non-Executive Director and Chairman of the Board w.e.f. 14th February, 2022. His re-designation/continuation and remuneration was approved by the Members through Postal Ballot on February 12, 2022.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on January 07, 2022 re-designated / appointed Mr. T.V. Chowdary (DIN: 00054220) as Managing Director of the Company, for a period of five years commencing from February 14, 2022 to February 13, 2027. His appointment and remuneration was approved by the Members through Postal Ballot on February 12, 2022.

Changes in Key Managerial Personnel

During the year under review, Mr. C. Subba Rao has retired as Chief Financial Officer w.e.f. 30th April, 2021 and Mr. Srihari Pakalapati has been appointed as the Chief Financial Officer w.e.f. 24th May, 2021.

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

F. 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

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

vii. Increments

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

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

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

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

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

viii. Remuneration to Independent and Non-Executive Directors

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

ix. Service contracts, notice period and severance fees:

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

None of the directors is eligible for severance pay.

G. 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.

14. 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.3,98,174.00 (pertaining to dividend for the financial year 2013-14) lying with the Company for a period of seven years to the Investor Education and Protection Fund (IEPF) in compliance with the applicable provisions of the Companies Act, 2013. As required under Section 124 of the Companies Act, 2013, your Company also transferred during the year 7,117 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.

15. Auditors

a) Independent Auditors

M/s. Majeti & Co., Chartered Accountants, (Firm Registration No 015975S) Statutory Auditors of the Company were appointed at the 37th Annual General Meeting of the Company held on September 27, 2017 for a period of five years. Accordingly, M/s. Majeti & Co., would complete their term and tenure as envisaged in Section 139 of the Companies Act, 2013 at the conclusion of this Annual General Meeting and are eligible for re-appointment.

The Audit Committee and the Board of Directors have recommended the reappointment of M/s. Majeti & Co., Chartered Accountants, as Statutory Auditors for a second term of 5 (Five) consecutive financial years, from the conclusion of this 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting to be held in the year 2027. The necessary resolution is being placed before the Members for approval.

The Company has received confirmation from M/s. Majeti & Co., Chartered Accountants, to the effect that their appointment as Auditors, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 and other applicable provisions of the Companies Act, 2013 read with Rule 4 of the Companies (Audit & Auditors) Rules, 2014. Further M/s. Majeti & Co., Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

b) 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 2021-22.

The Board of Directors of the Company, on the recommendations made by the Audit Committee, have appointed M/s S. S. Zanwar & Associates, Cost Accountants, Hyderabad, as the Cost Auditors of the Company to conduct the audit of the cost records of certain products for the financial year for 2022-23 and M/s S.S.Zanwar & Associates, Cost Accountants being eligible have consented to act as the Cost Auditors of the Company for the financial year 2022-23. Further, the Board recommends the resolution for members' ratification of their remuneration, as required under the provisions of Section 148(3) of the Companies Act, 2013.

d) Secretarial auditor

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed Mr. K.V. Chalama Reddy, a practicing company secretary, Hyderabad, as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2022-23. They have confirmed their eligibility for the re-appointment.

16. Independent auditors' report

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement for the year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or any disclaimer.

Reporting of fraud

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

17. 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'

18. 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

19. 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.

20. Secretarial audit report

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board has appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith as Annexure-5. The Secretarial Audit Report contains an observation, which is as under:

Observation:

The Company has not obtained the approval of shareholders of the Company by way of special resolution for continuation of the directorship of Dr.(Mrs.) Kailash Gupta as a Non-Executive Non-Independent Director of the Company, who has attained the age of 75 years as on 30.01.2021 as required under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board's Response:

The Company has obtained the approval of the shareholders of the company, for continuation of the directorship of Dr.(Mrs.) Kailash Gupta, who has attained the age of 75 years on 30.01.2021, as a Non-Executive Non-Independent Director of the Company by passing a special resolution through postal ballot on 26.06.2021 and further explained that the delay in obtaining the members approval was due to the circumstances beyond the control of the Company ie., Covid 19 pandemic and the lockdown/restrictions imposed by the Governments in terms of the Disaster Management Act, 2015.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by Mr. K.V. Chalama Reddy, Practising Company Secretary, Hyderabad has been submitted to the Stock Exchanges within the specified time.

Compliance with Secretarial Standards

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

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

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

22. 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.

23. Particulars of contracts or arrangements with related parties

All related party transactions entered by the Company during the financial year 2021-22 with related parties were on arm's length basis and in the ordinary course of business. No material related party transactions / arrangements were entered into during the financial year by the Company.

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

The particulars of transactions with related parties referred in section 188(1) of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2022 in prescribed Form AOC-2 is annexed herewith as Annexure – 7 to this Report.

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

24. 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.

25. 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.

26. Corporate social responsibility (CSR) activities

During the year 2021-22, your company has spent an amount of ₹ 11.86 lakhs (₹ 15.68 lakhs in previous year) on CSR activities, against the minimum mandatory amount of Nil (₹ 15.67 lakhs in previous year), being 2% of average profit for the last three years.

Details of CSR activities are given in Annexure - 8.

27. Disclosure under the Sexual Harassment of Women at

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

There are 64 women employees in your company as on March 31, 2022 (67 a year ago) and your company has formulated an anti harassment policy to ensure safe working environment. Your company also has set up an Internal Complaint Committee to redress complaints of women employees regarding sexual harassment. During the year under review, there were no cases received/filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013.

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

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 www.pelgel.com.

31. 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.

32. 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.

33. 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.

34. 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.

	Dr. A.N. Gupta	**T.V. Chowdary**
Secunderabad	Chairman	Managing Director
03.08.2022	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 2021–Mar 2022, same as for holding company	Apr 2021–Mar 2022, 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	Share capital	650.00	1.00
6	Reserves and surplus / Other equity	(51.01)	(4.12)
7	Total assets	625.98	0.95
8	Total Liabilities	26.99	4.07
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	(30.17)	(0.85)
12	Provision for taxation	8.87	-
13	Profit after taxation	(39.04)	(0.85)
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**
		BF Premier Energy Systems Private Limited (jointly controlled entity)
1	Latest audited Balance Sheet Date	March 31, 2022
2	Shares of Associate / Joint Ventures held by the company on the year end	
	Number of equity shares	1,00,000
	Amount of Investment in Associates / Joint Venture	10.00
	Extent of holding	50.00%
3	Description of how there is significant influence	Held 50% of equity share capital
4	Reason why the associate / joint venture is not consolidated	Proportionately consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	(1.71)
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	(0.855)
	ii. Not Considered in Consolidation	(0.855)

N*ote:*

1. Names of associates or joint ventures which are yet to commence operations:
   BF Premier Energy Systems Private 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 of the company has an optimum combination of Executive, Non-Executive and Independent Directors who have in-depth knowledge of business and expertise in their areas of specialisation. As on 31st March, 2022, the Company had Ten Directors with Five Non-Executive Independent Directors, Three Non-Executive Non-Independent Directors (including Woman Directors) and Two Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

a. Composition and category of Directors:

The Board of Directors of the Company headed by a Non-executive Chairman consists of the following Directors as on March 31, 2022:

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

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022.*

2. *** Mr. T.V. Chowdary, Deputy Managing Director was appointed as Managing Director w.e.f. February 14, 2022.*

3. ****Mrs. Shonika Prasad was appointed as an Additional Director [Non-Executive Non-Independent Director] w.e.f January 07, 2022; her appointment as Director was regularized w.e.f 12th February, 2022 through Postal Ballot Notice dated 07th January, 2022.*

b. Attendance of each director at the Board meetings and the last AGM held on September, 29, 2021 through Video Conference (VC)

Name of the Director	No. of Board meetings attended		Last AGM attendance (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	7	Yes
Mr. P.R.Tripathi	7	6	Yes
Mr. Anil Kumar Mehta	7	7	Yes
Mr. K. Rama Rao	7	7	Yes
Dr. A. Venkataraman	7	7	Yes
Lt.Gen. P.R.Kumar (Retd)	7	7	No
Mrs. Shonika Prasad***	1	1	--

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022.*
2. *** Mr. T.V. Chowdary, Deputy Managing Director was appointed as Managing Director w.e.f. February 14, 2022.*
3. ****Mrs. Shonika Prasad was appointed as an Additional Director [Non-Executive Non-Independent Director] w.e.f January 07, 2022; her appointment as Director was regularized w.e.f 12th February, 2022 through Postal Ballot Notice dated 07th January, 2022.*

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 Committee Chairmanships/Memberships held by them in other public companies as on 31st March, 2022 and details of directorships in other listed entities are given below.

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

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022.*
2. *** Mr. T.V. Chowdary, Deputy Managing Director was appointed as Managing Director w.e.f. February 14, 2022.*
3. ****Mrs. Shonika Prasad was appointed as an Additional Director [Non-Executive Non-Independent Director] w.e.f January 07, 2022; her appointment as Director was regularized w.e.f 12th February, 2022 through Postal Ballot Notice dated 07th January, 2022.*

   @ includes private limited companies other than Premier Explosives Limited.

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

d. Particulars of directorships in other companies

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

e. Positions in Committees of all companies

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

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

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

The Board of Directors met seven (7) times during the Financial Year from 01st April, 2021 to 31st March, 2022. 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:

24th May, 2021; 28th June, 2021; 29th July, 2021; 3rd September, 2021, 28th October, 2021, 7th February, 2022 and 14th February, 2022.

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.

Notes:

1. *Dr. Amarnath Gupta was Chairman and Managing Director upto February 13, 2022*
2. ***Mrs. Shonika Prasad was appointed an an Additional Director (Non-Executive Non-Independent) w.e.f Janauary 07, 2022, her appointment as Director was regularized w.e.f February 12, 2022 through Postal Ballot Notice dated January 07, 2022.*

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

Name	Category	No. of Shares held as on 31.03.2022
Dr. Amarnath Gupta*	Non Executive & Non Independent Director	26,20,183
Dr. (Mrs.) Kailash Gupta	Non Executive & Non Independent Director	11,67,467
Mr. Anil Kumar Mehta	Non Executive & Independent Director	3,000
Mr. P.R.Tripathi	Non Executive & Independent Director	Nil
Mr. K. Rama Rao	Non Executive & Independent Director	Nil
Mr. A. Venkataraman	Non Executive & Independent Director	Nil
Lt.Gen. P.R.Kumar (Retd)	Non Executive & Independent Director	100
Mrs. Shonika Prasad**	Non-Executive Non-Independent Director	Nil

Notes:

1. ** Dr. Amarnath Gupta was Chairman & Managing Director upto February 13, 2022 and re-designated as Chairman & Non-Executive Director w.e.f February 14, 2022.*
2. *** Mrs. Shonika Prasad was appointed as an Additional Director (Non-Executive Non-Independent Director) w.e.f. January 07, 2022, her appointment as Director was regularised w.e.f February 12, 2022 through Postal Ballot Notice dated January 07, 2022.*

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

In every quarter during the year 2021-22

Chairman and 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*	Chairman & Non Executive Director (Non Executive & Non-Independent Director)	A first generation entrepreneur with expertise in Technology, Innovation & Entrepreneurship
2	Mr. T.V. Chowdary**	Managing Director (Executive Director)	Strategy, Industrial Affairs & leadership
3	Mr. Y. Durga Prasada Rao	Director-Operations (Executive Director)	Project execution, Technology, Industrial and Government Affairs
4	Dr. (Mrs.) Kailash Gupta	Non-Executive & Non-Independent Director	Doctor by profession. social and philanthropic activities especially in healthcare
5	Mr. P.R. Tripathi	Independent Director	Expert in Mining Activities, strategy & Leadership
6	Mr. Anil Kumar Mehta	Independent Director	Accounting, Audit, Taxation & Project Finance.

7	Mr. K. Rama Rao	Independent Director	Technology Development& Research in Defence Products.
8	Dr. A. Venkataraman	Independent Director	Expertise in High Energy Materials chemistry, nano-materials chemistry, polymer nano composites etc., Innovation & Training
9	Lt. Gen P.R. Kumar (Retd.)	Independent Director	Strategy, People Management and General Administration.
10	Mrs. Shonika Prasad***	Non-Executive & non-Independent Director	A second generation entrepreneur with Administration and Management skills

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022.*
2. *** Mr. T.V. Chowdary, Deputy Managing Director was appointed as Managing Director w.e.f. February 14, 2022.*
3. **** Mrs. Shonika Prasad was appointed as an Additional Director (Non-Executive Non-Independent Director) w.e.f. January 07, 2022, her appointment as Director was regularised w.e.f February 12, 2022 through Postal Ballot Notice dated January 07, 2022.*

Board Skill Matrix

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

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

k. Confirmation as regards independence of Independent Directors

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

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

Not Applicable

3. 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. To review the management discussion and analysis of financial condition and results of operations.
3. To review management letters/letters of internal control weaknesses issued by the statutory auditors.
4. To review internal audit reports relating to internal control weaknesses.
5. To review the appointment, removal and terms of remuneration of the chief internal auditor.
6. To review 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.

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. Amarnath Gupta appointed as a Member of AC after his re-designation as the Chairman and Non-Executive Director with effect from February 14, 2022*

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, 2022

During the year, the Committee held eight (8) meetings on 24th May, 2021; 28th June, 2021; 29th July, 2021; 3rd September, 2021; 29th September, 2021, 28th October, 2021; 7th January, 2022 and 14th February, 2022.

Attendance at the Audit Committee Meetings:

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	8	7
Mr. Anil Kumar Mehta	Member	8	8
Mr. K. Rama Rao	Member	8	8
Dr. Amarnath Gupta	Member	-	-

**Dr. Amarnath Gupta appointed as a Member of AC after his re-designation as the Chairman and Non-Executive Director with effect from February 14, 2022*

The Chairman of the Audit Committee Mr. P.R. Tripathi, attended the last Annual General Meeting held on September 29, 2021.

4. 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
- 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 a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Undertaking other matters as the Board may refer from time to time.

b. Composition, members and chairperson

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

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

**Dr. Amarnath Gupta appointed as a Member of AC after his re-designation as the Chairman and Non-Executive Director with effect from February 14, 2022*

c. Committee meetings and attendance during the year

During the year, the Committee held 4 (four) meetings on 24th May, 2021; 28th June, 2021; 3rd September, 2021 and 7th January, 2022

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. P.R.Tripathi	Chairman	4	3
Mr. Anil Kumar Mehta	Member	4	4
Mr. K. Rama Rao	Member	4	4
Dr. Amarnath Gupta	Member	-	-

**Dr. Amarnath Gupta appointed as a Member of AC after his re-designation as the Chairman and Non-Executive Director with effect from February 14, 2022*

The Chairperson of the NRC was present at the last AGM held on September 29, 2021.

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.

f. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 22nd March, 2022. 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.

g. 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 2021-22 are as follows:

S. No.	Name of the Director	Amount of Sitting fees (₹ in lakhs)
1.	Dr. (Mrs.) Kailash Gupta	1.80
2.	Mr. Anil Kumar Mehta	2.90
3.	Mr. P.R.Tripathi	2.30
4.	Mr. K. Rama Rao	2.60
5.	Dr. A. Venkataraman	1.40
6	Lt.Gen. P.R.Kumar (Retd)	1.40
7	Dr. Amarnath Gupta*	3.20
8	Mrs. Shonika Prasad**	0.20

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022. Amount of Rs. 3.20 lakhs includes remuneration of Rs. 3 lakhs.*
2. *** Mrs. Shonika Prasad was appointed as an Additional Director (Non-Executive Non-Independent Director) w.e.f. January 07, 2022, her appointment as Director was regularised w.e.f February 12, 2022 through Postal Ballot Notice dated January 07, 2022.*

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, 2022 is as follows:

S. No.	Name of the director	Salary & allowances	Benefits	Commission	Bonus	Pension	Total
Executive directors							
1	Dr. A.N.Gupta*	191.64	69.49	10.78	-	-	271.91
2	Mr. T.V.Chowdary**	70.87	10.06	4.23	-	-	85.16
3	Mr. Y. Durga Prasad Rao	34.32	5.06	3.75	-	-	43.13
Total		**296.83**	**84.61**	**18.76**	**-**	**-**	**400.20**

1. **Dr. A.N. Gupta was Chairman & Managing Director upto 13th February, 2022 and re-designated as Chairman & Non-Executive Director w.e.f. February 14, 2022.*
2. *** Mr. T.V. Chowdary, Deputy Managing Director was appointed as Managing Director w.e.f. February 14, 2022.*

ii. A fixed remuneration shall comprise of basic salary and other allowances like house rent allowance, conveyance allowance, etc., which are calculated as certain percent of basic salary.

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

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

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

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

6. Stakeholders Relationship Committee

a. Composition of the Committee

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

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

b. Name and designation of the Compliance Officer

Mrs. K. Jhansi Laxmi, Company Secretary

c. Number of Shareholder's complaints received

During the year under review, the Company has received nil 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, 2022.

Terms of Reference

The Stakeholders Relationship Committee oversees and reviews all matters connected with the securities transfer and also looks into redressing of shareholders complaints like transfer/transmission of shares, non-receipt of annual reports / dividends etc.

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorized by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Anil Kumar Mehta was present at the 41st Annual General Meeting of the Company held on 29th September, 2021.

Email ID for Investor Grievances: investors@pelgel.com

7. Corporate Social Responsibility Committee

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

– Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law

– Recommend the amount of expenditure to be incurred on the activities specified and

– Monitor the Corporate Social Responsibility Policy of the company from time to time.

a. Composition, members and chairperson

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

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

b. Committee meetings and attendance during the year

During the year the Committee held one meeting on 3rd September, 2021.

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

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2022 is attached as Annexure 8 to the Board's Report.

8. General Body Meetings

a. Details of the last three AGMs are as follows

Year	Date	Venue	Time	No. of special resolutions passed
2020-21	29-09-2021	Through Video Conference (VC) or Other Audio Visual Meams (OAVM)	11.30 a.m	1
2019-20	19-11-2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	11.30 a.m	Nil
2018-19	25-09-2019	Surana Udyog Auditorium, FTAPCCI, 11-6-841, Red Hills, Hyderabad -500 004	11.00.a.m	6

b. Special resolutions passed during the previous three Annual General Meetings

41st Annual General Meeting – September, 29, 2021

Following special resolution was passed at the Annual General Meeting held for the financial year 2020-21 on 29th September, 2021:

- Reappointment of Lt. Gen. P R Kumar (DIN: 07352541) as an Independent Director for a second term of five consecutive years.

40th Annual General Meeting – November 19, 2020

– No Special Resolutions were passed at the Annual General Meeting held for the financial year 2019-20 on 19th November, 2020.

39th Annual General Meeting – September 25, 2019

Following special resolutions were passed at the Annual General Meeting held for the financial year 2018-19 on 25th September, 2019:

– Reappointment of Mr. P.R. Tripathi (DIN:00376429) as Independent Director

– Reappointment of Mr. Anil Kumar Mehta (DIN:00040517) as Independent Director

– Reappointment of Mr. K. Rama Rao (DIN:02678860) as Independent Director

– Reappointment of Dr. A. Venkataraman (DIN: 02669952) as Independent Director

– Reappointment of Mr. T.V. Chowdary (DIN:00054220) as Deputy Managing Director

– Appointment of Mr. Y. Durga Prasad Rao (DIN:08072805) as Director (Operations)

c. Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year 2021-22.

d. Postal Ballot:

During the year, two postal ballots were 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

(i) At the postal ballot voting which commenced on 28th May, 2021 and ended on 26th June, 2021 and the results of which were declared by the Company on 28th June, 2021, the following Special Resolution was passed:

Resolution passed through postal ballot on 26th June, 2021:

Description	Type of Resolution	No of votes polled	Votes cast in favour	Votes cast against	Invalid / abstain votes
Continuation of Directorship of Dr. (Mrs. Kailash Gupta (DIN:00054045), who has attained the age of 75 years, as a Non-Executive Non-Independent Director in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Special Resolution	5203296	5201678	1618	-

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

Result of voting: The Special Resolution has been duly approved by the shareholders with requisite majority.

(ii) At the postal ballot the voting which commenced on 14th January, 2022 and concluded on 12th February, 2022 and the results of which were declared by the Company on 14th February, 2022, the following Ordinary/Special Resolutions were passed.

Resolutions passed through postal ballot on 12th February, 2022:

Description	Type of Resolution	No of votes polled	Votes cast in favour	Votes cast against	Invalid / abstain votes
Appointment of Mrs. Shonika Prasad (DIN: 00250015) as a Director	Ordinary Resolution	5893413	5892572	841	-
Re-designation/continuation of Dr. Amarnath Gupta (DIN:00053985), as Non-Executive Director and Chairman of the Board with effect from 14th February, 2022 and payment of Remuneration	Special Resolution	5893413	5891672	1741	-
– Re-designation / appointment of Deputy Managing Director Mr. T.V. Chowdary (DIN: 00054220)as "Managing Director" with effect from 14th February, 2022 and payment of Remuneration to him in his re-designated capacity as Managing Director with effect from 14th February, 2022	Special Resolution	5893413	5892672	741	-
Payment of remuneration to Dr. Amarnath Gupta (DIN:00053985), Chairman and Non-Executive Director	Special Resolution	5893413	5891172	2241	-

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.

e. Procedure for postal ballot

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

9. Means of communication

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

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

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

10. General shareholder information

a.	**42nd AGM, date, time and Venue/Mode**	Friday, 16th September, 2022 at 11:30 a.m. (IST)
		Mode: Video Conferencing or other Audio Visual means

b. Financial year: April 1, 2022 to March 31, 2023

Tentative schedule for considering financial results:

For the quarter ended June 30, 2022	:	August, 2022
For the quarter ending September 30, 2022	:	October/November, 2022
For the quarter ending December 31, 2022	:	January/February, 2023
For the quarter / year ending March 31, 2023	:	April/May, 2023

Book Closure dates

The dates for book closure are from 10th September, 2022 to 16th September, 2022 (both days inclusive)

c. Dividend payment date: Within 30 days from the AGM date upon declaration of dividend by the Members at the ensuing AGM

d. Listing on stock exchanges

The Company's equity shares are listed at

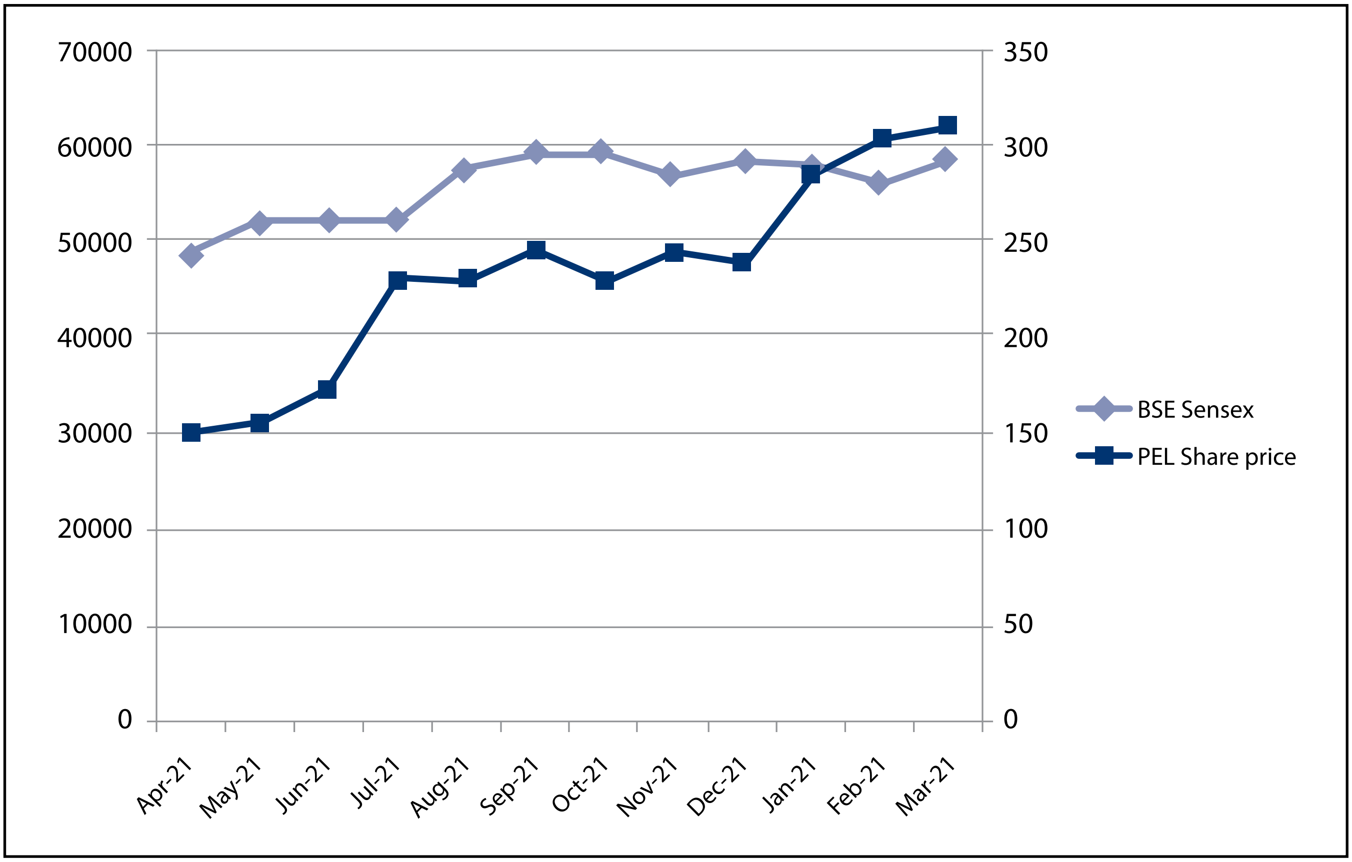
Name and Address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400001	526247
National Stock Exchange of India Limited Exchange Plaza, Floor 5, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai-400051	PREMEXPLN EQ

The Annual listing fee for the financial year 2021-22 has been paid to both the Stock Exchanges.

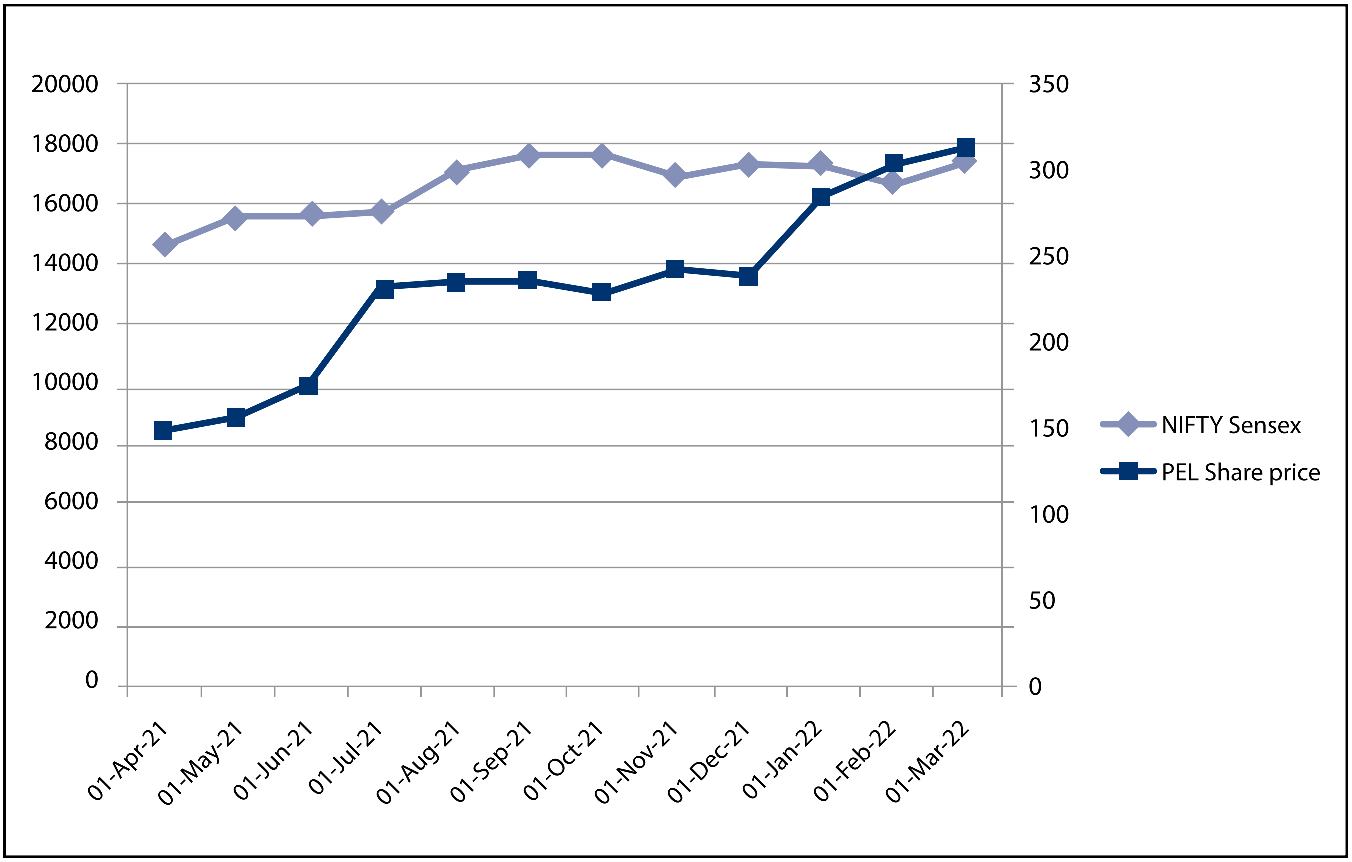
e. Stock Market price Data - High / Low during each month during the year 2021-22 Monthly high and low quotations on the BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE)

Month/Year	BSE		NSE	
	High	Low	High	Low
April 21	159.45	145.00	159.40	146.40
May 21	164.95	137.35	164.50	134.25
June 21	173.15	134.00	174.00	134.05
July 21	248.65	173.00	249.00	173.95
August 21	255.00	210.00	255.00	210.00
September 21	250.00	230.00	249.75	229.50
October 21	287.55	225.00	285.65	224.45
November 21	272.00	220.00	274.00	218.55
December 21	260.95	233.00	261.10	232.35
January 22	324.10	235.00	325.00	235.00
February 22	303.55	231.80	303.50	230.55
March 22	346.00	297.00	347.90	295.05

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



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



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

i. Registrar to an issue and Share Transfer Agents

(for shares held in both physical and demat mode)

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

KFin Technologies Limited.

Selenium, Tower B, Plot No.31 & 32, ,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad-500032, Telangana.
Ph:040-6716 1606/1776
Toll free No.: 1-800-309-4001 Email: einward.ris@kfintech.com
website: https://www.kfintech.com

j. Share transfer system

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

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

k. Instruction to Members

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

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

l. Distribution of shareholding as on 31.03.2022

S. No	Category	Cases	% of Cases	Amount of Equity share capital	% of Equity share capital
1	1 –5,000	8,480	91.08	84,13,190	7.82
2	5,001 – 10,000	393	4.22	31,19,980	2.90
3	10,001 – 20,000	198	2.13	29,45,300	2.74
4	20,001 – 30,000	69	0.74	17,65,380	1.64
5	30,001 – 40,000	24	0.26	8,60,200	0.80
6	40,001 – 50,000	24	0.26	11,20,190	1.04
7	50,001 – 100000	50	0.54	37,58,170	3.50
8	100001 & above	73	0.78	855,39,980	79.56
	Total	**9,311**	**100.00**	**10,75,22,390**	**100.00**

Shareholding pattern as on March 31, 2022

Category	No of shares	% of shareholding
Promoters	44,44,347	41.33
Mutual Funds	3,72,030	3.46
Foreign Portfolio Investors	29,708	0.28
Resident Individuals	46,72,872	43.46
Non Resident Indians	4,12,787	3.84
Clearing Members	18,722	0.17
Bodies Corporate	4,86,745	4.53
IEPF Authority	88,656	0.82
HUF	2,26,372	2.11
Total	**1,07,52,239**	**100.00**

m. Dematerialisation of shares and liquidity

Your Company's shares are compulsorily tradable in the electronic form only. The International Securities Identification Number (ISIN) allotted to your shares under the Depository system is INE863B01011. Equity shares of the Company representing 98.86% of the Company's equity share capital are dematerialized as on 31st March, 2022, and the rest in physical form.

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

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

Shares held in demat and physical mode as on March 31, 2022 are as follows:

Mode of holding	No. of shares	% to Equity
Physical	1,22,512	1.14
Electronic - NSDL	77,75,079	72.31
- CDSL	28,54,648	26.55
Total	1,07,52,239	100.00

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

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

n. 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.

o. 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.

p. 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

q. Address for correspondence

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

r. Credit ratings

ICRA Limited has retained the credit rating outlook for Line of Credit (LOC) of the Company, long-term credit rating of '[ICRA] [BBB+] (Stable)' and short term credit rating to '[ICRA] [A2]'. These ratings are valid till April, 2023.

11. Other disclosures

a. Related party transactions

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

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

Related party transactions entered during the year 2021-22 have been at Arm's length basis and reported in Form AoC-2 attached as Annexure -7 to the Board's Report

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

c. Capital market compliances

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

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

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

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

The designated person had not received any complaint during the financial year ended 31st March, 2022

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, 2022.

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.

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, 2022 is given below. They are not auditors for any of the group companies and they are also not part of any network of audit firms.

S. No.	Description of fees paid	Amount (₹ in lakhs)
1	Statutory audit fees paid	7.50
2	Fee paid for quarterly reviews	6.75
3	Fee paid for certifications	5.70
4	Fee paid for attestation services	3.00
5	Reimbursement of expenses	1.20
	Total fees paid	**24.15**

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

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

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

12. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherever applicable, as on 31st March, 2022, except for delay in obtaining special resolution for continuation of Dr.(Mrs.) Kailash Gupta as Non-Executive,.Non-Independent Director, who has attained the age of 75 years as per the provisions of Regulation 17(1A) of SEBI Listing Regulations.

The Company has paid penalty of Rs. 1,43,960/- & Rs. 3,49,280/- to BSE and NSE respectively for Delay / Non-Compliance of Regulation 17(1A) of SEBI (WDR) Regulations, 2015, Further, the Company is awaiting a favourable reply from BSE for the waiver request made in in respect of fine of Rs. 2,05,320/- imposed vide ref: SOP-CRevias-August 20, 2021

13. 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

14. 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.

15. CEO and CFO certification

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

16. 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 7,117 equity shares into Investor Education and Protection Fund Authority Account during the financial year ended March 31, 2022.

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

III. Disclosure with respect to Demat suspense account/unclaimed suspense account.

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

This report has been approved by the Board of Directors in its meeting held on 03.08.2022.

For and on behalf of the Board

	Dr. A.N.Gupta	**T.V Chowdary**
Secunderabad	Chairman	Managing Director
03.08.2022	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, 2022.

For and on behalf of the Board

	Dr. A.N.Gupta	**T.V Chowdary**
Secunderabad	Chairman	Managing Director
03.08.2022	DIN: 00053985	DIN: 00054220

ANNEXURE-3

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

To the Members of

PREMIER EXPLOSIVES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated February 16, 2022.

2. This report contains details of compliance of conditions of Corporate Governance by Premier Explosives Limited ('the Company'), for the year ended on March 31, 2022, 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, 2022.

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.

7. 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

8. 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.

9. 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

10. 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's Registration number: 0159758

Kowshik Anna
Partner
Membership number: 244172
UDIN No. 22244172AOQXPA2683

Place : Hyderabad
Date : 03.08.2022

ANNEXURE-4

CEO and CFO Certification

To the Board of Directors of Premier Explosives Limited

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

A. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2022 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, 2022 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.

	T.V Chowdary	**Srihari Pakalapati**
Secunderabad	Managing Director	Chief Financial Officer
03.08.2022	DIN: 00054220	

ANNEXURE-4A

To
The Members
Premier Explosives Limited
Hyderabad

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

I, **K.V.Chalama Reddy,** Practicing Company Secretary have examined the Company and Registrar of Companies records, books and papers of Premier Explosives Limited (CIN:L24110TG1980PLC002633) having its Registered Office at 'Premier House, #11 Ishaq Colony, Near AOC Centre, Secunderabad-500015, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2022.

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, 2022:

List of Directors of the Company as on 31st March, 2022:

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

K.V.Chalama Reddy
Practising Company Secretary
F.C.S .: 9268, C.P : 5451
PR No. : 2301/2022
UDIN: F009268D000732496

Place: Hyderabad
Date:03.08.2022

ANNEXURE-5

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2022
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, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 ("Audit Period") according to the provisions of:

   i. The Companies Act, 2013 (the Act) and the rules made thereunder;

   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period**

   v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;

      c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the audit period.**

      d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 201 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable during the audit period**

      e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **Not applicable during the audit period**

      f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **not applicable during the audit Period**

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

      h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not applicable during the audit period**

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

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

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

a. The Explosives Act, 1884 and Rules and notifications made there under;

b. The Electricity Act, 2003 and rules and regulations made there under.

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

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

The Company has not obtained the approval of shareholders of the Company by way of special resolution for continuation of the directorship of Dr.(Mrs.) Kailash Gupta as a Non-Executive, Non-Independent director of the Company, who has attained the age of 75 years as on 30.01.2021as required under Regulation 17(1A) ofI the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, in this regard the management of the Company explained that the Company has obtained the approval of shareholders of the Company by way of special resolution for continuation of the directorship of Dr.(Mrs.) Kailash Gupta as a Non-Executive, Non-Independent director of the Company on 26.06.2021 and further explained that the delay in obtaining the members approval is due to mandatory lock down imposed by the Government to curb the spread of the corona virus

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 year under review were carried out in compliance with the provisions of the Act.

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.

K . V . Chalama Reddy
Practising Company Secratary
F.C.S .: 9268, C.P : 5451
PR No. : 2301/2022
UDIN: F009268D000732518

Place: Hyderabad
Date: 03.08.2022

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
Secunderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

K . V . Chalama Reddy
Practising Company Secratary
M. No: F 9268, C.P No: 5451
PR No. : 2301/2022
UDIN: F009268D000732518

Place: Hyderabad
Date: 03.08.2022

ANNEXURE-6

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

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

A	**Conservation of energy (Form 'A')**		This is not applicable to the company	
B	**Technology absorption (Form 'B')**			
	a) Research & Development			
	1.	Specific areas in which R & D carried out by the company	Development of specialised high energy chemicals	
	2.	Benefits derived as a result of above R & D	Commercializing the in-house developed products	
	3.	Future plan of action	To continuously improve existing products and develop cost effective processes	
	4.	Expenditure on R & D (₹ in lakhs)	**2021-22**	**2020-21**
	Capital		**0.00**	25.31
	Recurring		**60.91**	69.21
	Total		**60.91**	**94.52**
	R & D expenditure as % of total revenue		**0.31%**	0.62%
	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**		**2021-22**	2020-21
	Earnings		**2,878.33**	2,009.48
	Outgo		**2,912.89**	2,679.85

For and on behalf of the Board

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

Secunderabad
03.08.2022

ANNEXURE-7

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

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

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

Form no. AOC-2

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

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

1	**Details of contracts or arrangements or transactions not at arm's length basis**:		No such transactions
2	**Details of contracts or arrangements or transactions at arm's length basis**:		
I	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 2021 –March 2022
	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	Not applicable
	f)	Amount paid as advances, if any	NIL
II	**Details of contracts or arrangements or transactions at arm's length basis:**		
	a)	Name(s) of the related party and nature of relationship	Premier Wire Products Limited, a subsidiary company
	b)	Nature of contracts / arrangements / transactions	Purchase of Machinery
	c)	Duration of the contracts / arrangements / transactions	April 2021 –March 2022
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment for Machinery purchase – ₹ 7.30 lakhs
	e)	Date(s) of approval by the Board, if any	28.10.2021
	f)	Amount paid as advances, if any	NIL
III	**Details of contracts or arrangements or transactions at arm's length basis:**		
	a)	Name(s) of the related party and nature of relationship	Vedic Divyajyothy Gurkul Trust ,
	b)	Nature of contracts / arrangements / transactions	Purchase of Land
	c)	Duration of the contracts / arrangements / transactions	April 2021 –March 2022
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment for Land purchase: ₹ 345 lakhs
	e)	Date(s) of approval by the Board, if any	28.10.2021
	f)	Amount paid as advances, if any	NIL

ANNEXURE-8

Annual Report on CSR Activities for Financial Year 2021-22

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

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

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

2. **Composition of CSR Committee:**

   The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The members of the CSR committee as on March 31, 2022 are as under:

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

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

   www.pelgel.com

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

   Not Applicable for the financial year under review.

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

6. **Average net profit of the company for last three financial years as per section 135(5): (₹ 473.96 lakhs)**

7. a. Two percent of average net profit of the company as per section 135(5): Not Applicable

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

   c. Amount required to be set off for the financial year, if any: None

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

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

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

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

1	2	3	4	5	6	7	8	9	10	11
Sl No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the Project	Project Duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
				State / District						**Name / CSR Registration No.**
1	Mobile medical unit attending to elderly people	Item No. (i)- Healthcare	Yes	Telangana/ Bhuvangiri Yadadri District	3 Years	11.26	11.26	NIL	No	Through Helpage India
2	Stipend to students	Item No. (ii)- Education	Yes	Peddakan-dukuru, Telangana	Year	0.60	0.60	NIL	Yes	
TOTAL						**11.86**	**11.86**			

(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): ₹ 11.86 Lakhs

(g) Excess amount for set off, if any: ₹ 11.86 Lakhs

(In ₹ Lakhs)

S.No.	Particulars	Amount
1	Two Percent of average net profit of the company as per section 135(5)	Nil
2	Total amount spent for the Financial Year	11.86
3	Excess amount spent for the financial year [(ii)-(i)]	11.86
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)]	11.86

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s) – Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset – Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and

location of the capital asset). – Not Applicable

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

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

Dr. Kailash Gupta
Director
DIN: 00054045

Place: Secunderabad
Date: August 03, 2022

ANNEXURE-9

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

Particulars	calendar year (01.01.2021 to 31.12.2021)	From 01.01.2022 till date of the report
No. of complaints of sexual harassment received during the year	-	-
No. of complaints of disposed off during the year	-	-
No. of cases pending for more than 90 days	-	-
No. of workshops or awareness programmes carried out against sexual harassment	1	1
Nature of action taken by the employer or district officer	NA	NA

ANNEXURE-10

Particulars of remuneration and other disclosures

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

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

Sl	Name	Designation	Amount of remuneration paid for the year (₹ Lakhs)		Increase / (decrease) (₹ Lakhs)	Increase / (decrease) %	Ratio to median remuneration of employees
			2021-22	2020-21			
1	A.N. Gupta	Chairman & Managing Director upto 13/02/2022	271.91	250.96	--	N.A*	--
2	Dr. A.N. Gupta	Chairman – Non Executive from 14/02/2022	3.00				
3	**T.V. Chowdary	Managing Director Deputy Managing Director upto 13/02/2022 and Managing Director from 14/02/2022	85.16	71.44	--	N.A**	--
3	Y. Durga Prasada Rao	Director - Operations	43.13	35.81	7.32	20.44%	9.95
4	***C. Subba Rao	Chief Financial Officer (KMP)	9.99	33.51	N.A	N.A***	
5	***Srihari Pakalapati	Chief Financial Officer (KMP)	18.57	---	N.A	N.A***	
6	K. Jhansi Laxmi	Company Secretary (KMP)	11.07	5.40	NA	Not applicable, as the remuneration for 2020-21 is for part of the year only	--

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

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

***Mr. C. Subba Rao retired from the position of Chief Financial Officer and Key Managerial Personnel (KMP) of the Company w.e. f 30/4/2021 and Mr. Srihari Pakalapati was appointed as Chief Financial Officer and KMP w.e.f. 24/05/2021 and hence not applicable.

1. Median remuneration of the employees was Rs. 4.09 lakhs during the 2021-22 and Rs.3.06 lakhs during 2020-21.
2. Number of permanent employees on the rolls of the company as on 31.03.2022 was 825 (975 as on 31.03.2021).
3. Remuneration has been paid as per remuneration policy.

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

a. Particulars of top ten employees in terms of remuneration and also who were in receipt of remuneration not less than 102 lakhs per annum or ₹ 8.50 lakhs per month during the year 2021-22

No.	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 and designation	No. and % of equity shares held at year-end	Relationship to any other director
1	A.N. Gupta	Chairman & Managing Director upto13/02/2022 and Non Executive Chairman from 14/2/2022	271.91	Contractual	M.Sc., D.Sc., 14-Feb-80 55 years 14-Apr-45 77 years	I.E.L. Limited, Area Sales Manager	26,20,183 24.37%	Dr. (Mrs.) Kailash Gupta is his Wife& Mrs. Shonika Prasad is his Daughter

No.	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 and designation	No. and % of equity shares held at year-end	Relationship to any other director
2	T.V.Chowdary	Managing Director	85.16	Contractual	B.Sc. (Tech) & (Petroleum) 25-May-89 40 years 16-Aug-57 65 years	STP Limited Production Manager	20,507 0.19%	None
3	Y. Durga Prasada Rao	Director (Operations)	43.13	Contractual	B.E. Mechanical 01-Jul-89 37 years 20-May-63 59 years	Rohini Refractories Ltd Mechanical Engineer	-	None
4	Srihari Pakalapati	CFO	18.57	Permanent	FCA 24-May-21 25 years 12-Aug-71 51 years	Asian Group (Entertainment and Construction) Chief Financial Officer Head of Accounts & Finance Department	2,000 0.02%	None
5	Y. Krishna Rao	Vice President	15.12	Contractual	M.Com 03-Sep-86 41 years 17-Jun-50 72 years	A.P.Rayons Ltd Accounts Officer	100 0.00%	None
6	Shailendra Pathak	President	26.98	Permanent	B.Tech, MBA, PGDPM(HR&IR) 01-Oct-16 35 years 24-Feb-67 55 years	TRC Wall Pak Ltd Plant Head	114 0.00%	None
7	Indraneel Deb	General Manager	22.22	Permanent	M.Tech, (Aerospace), Armed Forces Programme (IIIM) 2-Feb-16 30 years 06-Sep-69 53 years	Reliance Defence & Engineering Ltd DGM (Guns & Missiles)	-	None
8	Surya Chandra Prakash	General Manager	16.95	Permanent	AIME (Chemical Engineering) 24-Jan-2012 34 years 24-Jan-67 55 years	ISRO-SHAR Quality Engineer	-	None
9	Gangraj Tadinada	Vice President (Marketing)	26.47	Permanent	BSc. & MBA (MKtg) 19 Feb-2020 28 years 16 Nov-1970 52 years	DCW Limited General Manager (Marketing)	100 0.00%	None
10	S. Janardhan	Sr.General Manager	17.11	Permanent	B.Tech & MBA(HR) 27 Feb-1995 27 Years 03 July 1968 53 Years	-	-	None

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Premier Explosives Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Premier Explosives Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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, 20.12% 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, 2022 – ₹ 7048.16 lakhs – which is near to 94.09 % 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, 2022. • 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, 2022 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

Information Other than the Financial Statements and Auditor's Report Thereon

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31,2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 company has not proposed any divided in the previous year.

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.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Kowshik Anna
Partner
Membership No: 244172
UDIN No: 22244172AJQUOS4508

Place: Hyderabad
Date: May 26, 2022

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, 2022 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, 2022, 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

Kowshik Anna
Partner
Membership No :244142
UDIN No: 22244172AJQUOS4508

Place: Hyderabad
Date: May 26, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

Particulars	Amount in Lakhs
Aggregate amount during the year	1.00
Balance outstanding as at balance sheet date	3.63

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

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

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

d) As there was not 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 overdues of existing loan given to the same party.

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

	All Parties	Promoters	Related Parties
Aggregate amount of loan given			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
- No agreement and Repayable on demand (C)	-	-	3.63
Total (A+B+C)	**-**	**-**	**3.63**
Percentage of loans	**-**	**-**	**100%**

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

Further, the Company has complied with the provisions of

Section 186 of the Companies Act, 2013 in relation to loan given and investments made.

v The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

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

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

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

b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

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

viii According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix a) According to the records of the Company examined by us and the information and explanation given to us,

A. The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government during the year.

B. Loans Includes an amount of Rs. 255.39 lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful Defaulter by any bank or financial institution or government or any government authority.

c) According to the records of the Company examined by us and the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and Joint Ventures.

We report that the Company did not have associate companies during the year.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint ventures.

x a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

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

xi a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Hence reporting under clause 3(xii)(a), (b), (c) are not applicable.

xiii The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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 non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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 incurred cash losses only during the immediately preceding financial year but has not incurred any cash losses during 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 with in a period of one year from the balance sheet date will get discharged by, the Company as and when they fall due.

xx The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

Kowshik Anna
Partner
Membership Number: 244172
UDIN No: 22244172AJQUOS4508

Place: Hyderabad
Date: May 26, 2022

BALANCE SHEET
as at March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(a)	17,202.83	17,263.15
(b) Capital work-in-progress	3(a)	369.82	175.65
(c) Right -of- use asset	3(b)	76.12	76.93
(d) Investment property	4	8.02	8.02
(e) Intangible assets	5	758.67	653.37
(f) Financial assets			
(i) Investments	6	531.00	531.00
(g) Income tax assets (net)	8	324.88	230.92
(h) Other non-current assets	9	695.60	498.63
Total non-current assets		**19,966.94**	**19,437.67**
II Current assets			
(a) Inventories	10	3,769.96	3,672.07
(b) Financial assets			
(i) Trade receivables	11	7,048.16	4,472.45
(ii) Cash and cash equivalents	12	42.37	90.19
(iii) Bank balances other than (ii) above	13	429.87	532.07
(iv) Loan	7	3.63	2.38
(c) Other current assets	9	1,080.06	1,205.43
Total current assets		**12,374.05**	**9,974.59**
TOTAL ASSETS		**32,340.99**	**29,412.26**
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	14	1,075.22	1,075.22
(b) Other equity		17,927.72	17,425.69
Total equity		**19,002.94**	**18,500.91**
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	508.00	1,022.40
(ii) Other financial liabilities	16	8.65	8.65
(b) Provisions	17	532.71	510.29
(c) Deferred tax liabilities (net)	18	684.93	514.09
Total non-current liabilities		**1,734.29**	**2,055.43**
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	7,537.56	5,077.48
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note: 36)		8.10	17.20
- dues to others		2,110.21	1,670.90
(iii) Other financial liabilities	16	939.21	1,429.93
(b) Other current liabilities	19	819.82	437.97
(c) Provisions	17	180.01	209.54
(d) Current tax liabilities (net)	20	8.85	12.90
Total current liabilities		**11,603.76**	**8,855.92**
Total liabilities		**13,338.05**	**10,911.35**
TOTAL EQUITY AND LIABILITIES		**32,340.99**	**29,412.26**

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

P. Srihari
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna
Partner
Membership number: 244172

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 26, 2022

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	21	19,912.77	15,337.19
II	Other income	22	189.68	87.15
III	**Total income (I+II)**		**20,102.45**	**15,424.34**
IV	**Expenses**			
	Cost of raw materials consumed	23	9,374.31	6,986.73
	Purchases of stock in trade		165.51	322.89
	Changes in inventories of finished goods, work-in-progress and scrap	24	185.26	51.25
	Employee benefits expense	25	4,626.65	4,727.95
	Finance costs	26	750.76	735.30
	Depreciation and amortisation expense	27	937.48	597.00
	Research and development expenses	28	60.91	69.21
	Other expenses	29	3,271.81	2,515.06
	Total expenses (IV)		**19,372.69**	**16,005.39**
V	**Profit /(loss) before exceptional items and tax (III-IV)**		**729.76**	**(581.05)**
VI	**Exceptional items**			
	Voluntary Retirement expenses		-	908.01
VII	**Profit /(loss) before tax (V-VI)**		**729.76**	**(1,489.06)**
VIII	**Income tax expense**			
	Current tax	30	(26.21)	(31.86)
	Deferred tax	30	193.96	(382.73)
	Total tax expense		**167.75**	**(414.59)**
IX	**Profit /(Loss) for the year (VII-VIII)**		**562.01**	**(1,074.47)**
X	**Other comprehensive income**			
A	**Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plan	25 (D)	(83.10)	(98.92)
	Income tax relating to above	30	23.12	27.52
B	**Items that will not be reclassified to profit or loss**		**-**	**-**
	Income tax relating to above		-	-
	Other comprehensive income after tax for the year (X)		**(59.98)**	**(71.40)**
XI	**Total comprehensive income for the year (IX+X)**		**502.03**	**(1,145.87)**
XII	**Earnings/(Loss) per share (par value of Rs.10 each)**	40		
	Basic		5.23	(9.99)
	Diluted		5.23	(9.99)

The accompanying notes are an integral part of the financial statements

As per our report of even date | **For and on behalf of the Board**

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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
May 26, 2022

P. Srihari
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

STATEMENT OF CASH FLOWS
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	(Loss) before income tax	729.76	(1,489.06)
	Adjustments for:		
	Depreciation and amortisation expense	937.48	597.00
	Unrealised foreign exchange (gain)(net)	(18.11)	(0.65)
	Expected credit loss provision no longer required written back (net)	(20.85)	60.00
	Credit balances written back	(24.81)	-
	Interest income	(49.30)	(39.33)
	Finance costs	750.76	735.30
	Bad debts written off	210.93	280.62
	(Profit) on sale of Property, plant and equipment	-	(0.89)
	Book deficit on assets discarded	1.99	-
	Operating profit before working capital changes	**2,517.85**	**142.99**
	Adjustments for		
	Trade receivables and other assets	(2,592.03)	106.25
	Inventories	(97.89)	529.56
	Trade payables, other liabilities and provisions	260.16	316.97
	Cash generated from operating activities	**88.09**	**1,095.77**
	Income taxes paid	(67.75)	(40.56)
	Net cash generated from operating activities (A)	**20.34**	**1,055.21**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,443.03)	(1,294.02)
	Insurance claims received against property, plant and equipment	18.45	-
	Proceeds from disposal /sale of property, plant and equipment	-	2.59
	Redemption in bank deposits (having original maturity of more than three months) (net)	33.39	759.60
	Interest received	114.05	89.35
	Net cash inflow / (outflow) from investing activities (B)	**(1,277.14)**	**(442.48)**
C	**Cash flows from financing activities**		
	(Repayment)/ Proceeds from non-current borrowings (net)	(514.40)	672.30
	(Repayment)/ Proceeds from current borrowings (net)	2,476.14	(616.83)
	Finance costs	(752.76)	(769.06)
	Net cash inflow / (outflow) from financing activities (C)	**1,208.98**	**(713.59)**
D	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	(47.82)	(100.86)
	Exchange difference on translation of foreign currency cash and cash equivalents*	-	0.65
	Cash and cash equivalents at the beginning of the year	90.19	190.40
E	**Cash and cash equivalents at end of the year**	**42.37**	**90.19**
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)	42.37	90.19
	Balance as per statement of cash flows	**42.37**	**90.19**

The accompanying notes are an integral part of the financial statements

* Amount is below the rounding off norms

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

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

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

As per our report of even date | **For and on behalf of the Board**

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

P. Srihari
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna
Partner
Membership number: 244172

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 26, 2022

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

A	**Equity share capital**			
	Issued, subscribed and paid up Equity shares of ₹ 10/- each	**Note**	**No. of shares**	**Amount**
	As at April 1, 2020		1,07,52,239	1,075.22
	Change during the year		-	-
	As at March 31, 2021		1,07,52,239	**1,075.22**
	Change during the year			-
	As at March 31, 2022	14	1,07,52,239	**1,075.22**

B Other equity

	Reserves & surplus				Other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at April 1, 2020	**20.53**	**7724.08**	**1700.00**	**9336.46**	**(209.51)**	**18571.56**
(Loss) for the year	-	-	-	(1,074.47)	-	(1,074.47)
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(71.40)	(71.40)
	-	**-**	**-**	**(1,074.47)**	**(71.40)**	**(1,145.87)**
Balance as at March 31, 2021	**20.53**	**7,724.08**	**1,700.00**	**8,261.99**	**(280.91)**	**17,425.69**
Balance as at April 1, 2021	**20.53**	**7,724.08**	**1,700.00**	**8,261.99**	**(280.91)**	**17,425.69**
Profit for the year	-	-	-	562.01	-	562.01
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(59.98)	(59.98)
	-	**-**	**-**	**562.01**	**(59.98)**	**502.03**
Balance as at March 31, 2022	**20.53**	**7,724.08**	**1,700.00**	**8,824.00**	**(340.89)**	**17,927.72**

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2022 (Continued)

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

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

(ii) Securities premium reserve

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

(iii) General reserve

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

(iv) Retained earnings

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

As per our report of even date

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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
May 26, 2022

For and on behalf of the Board

P. Srihari
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

NOTES TO FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

1. Background

1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.

1.3 The Standalone financial statements are approved for issue by the Company's Board of Directors on May 26, 2022.

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) New standards and amendments

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2 : Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments : Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

(iii) Ind AS 103: Business combination

(iv) Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements of the Company

(iv) Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the companies Act,2013 on 24th March 2021 to increase the transparency and provide additional disclosure to users of financial statements. The amendments are effective from 01 April 2021.

Consequent to the above the company has classified current maturity of long-term borrowing (including interest accrued thereon) to short-term borrowing from other financial liability.

(v) 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.

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

2.2 Segment reporting

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

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

2.3 Functional and presentation currency

(i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances

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

2.4 Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 25(a)(ii)]
- Estimation of expected credit loss on financial assets [refer note: 32(A)]
- Estimation of useful life of property, plant and equipment [refer note: 2.6]
- Estimation of useful life of intangible asset [refer note: 2.7]
- Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) [refer note: 32(D)]

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]

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.

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.

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

(i) Computer software

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

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

(ii) Transfer of Technology

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

(iii) Other Licence

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

(iv) Amortisation methods and periods

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

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

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

2.8 Equity instruments

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

2.9 Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories

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

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

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

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

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

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments

At amortised cost

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

At fair value through other comprehensive income (FVOCI)

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

At fair value through profit or loss (FVTPL)

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

Investment in subsidiaries and joint ventures

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

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Trade receivables

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

(ii) Financial liabilities

Classification, initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

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

Buyers credit

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

Packing credit

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

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

2.10 Impairment of assets

Finan cial 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.

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.

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.

2.16 Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The company operates the following post-employment schemes

(a) Defined benefit plans such as gratuity

(b) Defined contribution plans such as provident fund

(c) State plans

(d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

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

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

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

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

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

(b) Defined contribution plans

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

(c) State plans

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

(d) Voluntary retirement scheme

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

2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.18 Research and development expenditure

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

2.19 Earnings per share

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

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

2.20 Investment property

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

2.21 Government grants

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

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

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

2.22 Rounding of amounts

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

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

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

Ind AS 103: Business combination

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Freehold buildings	Plant and Machinery		Furniture, fittings and equipment	Vehicles	Data processing equipment	Total property, plant and equipment	Capital work-in-progress
			Plant and machinery	Research and development equipment					
Year ended March 31, 2021									
Gross carrying amount									
Opening gross carrying amount	6,059.76	2,341.89	5,060.25	312.03	185.81	234.88	70.78	14,265.40	6,169.62
Additions	-	4,140.56	2,951.70	25.31	42.52	0.00	18.35	7,178.44	(5,993.97)
Disposals	-	-	-	-	-	(14.83)	-	(14.83)	-
Closing gross carrying amount	6,059.76	6,482.45	8,011.95	337.34	228.33	220.05	89.13	21,429.01	175.65
Accumulated depreciation									
Opening accumulated depreciation	-	698.82	2,537.92	104.77	142.33	104.38	62.42	3,650.64	-
Depreciation charge during the year	-	118.04	340.08	25.15	18.02	20.50	6.56	528.35	-
Disposals	-	-	-	-		(13.13)	-	(13.13)	-
Closing accumulated depreciation	-	816.86	2,878.00	129.92	160.35	111.75	68.98	4,165.86	-
Net carrying amount as at March 31, 2021	**6,059.76**	**5,665.59**	**5,133.95**	**207.42**	**67.98**	**108.30**	**20.15**	**17,263.15**	**175.65**
Year ended March 31, 2022									
Gross carrying amount									
Opening gross carrying amount	6,059.76	6,482.45	8,011.95	337.34	228.33	220.05	89.13	21,429.01	175.65
Additions	465.21	149.45	174.63	-	12.69	2.29	2.87	807.14	246.93
Disposals		(13.65)	(51.21)	-	(0.16)	-	(0.59)	(65.61)	(52.76)
Closing gross carrying amount	6,524.97	6,618.25	8,135.37	337.34	240.86	222.34	91.41	22,170.54	369.82
Accumulated depreciation									
Opening accumulated depreciation	-	816.86	2,878.00	129.92	160.35	111.75	68.98	4,165.86	-
Depreciation charge during the year	-	330.72	450.18	26.97	12.73	19.86	6.56	847.02	-
Disposals	-	(7.23)	(37.22)	-	(0.15)	-	(0.57)	(45.17)	-
Closing accumulated depreciation	-	1,140.35	3,290.96	156.89	172.93	131.61	74.97	4,967.71	-
Net carrying amount as at March 31, 2022	**6,524.97**	**5,477.90**	**4,844.41**	**180.45**	**67.93**	**90.73**	**16.44**	**17,202.83**	**369.82**

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

	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	237.01	41.17	60.18	31.46	369.82
(b) Projects temporarily Suspended	-	-	-	-	-
	237.01	41.17	60.18	31.46	369.82

4) Aging of capital work-in-progress as at March 31,2021

	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	79.08	65.12	31.09	0.36	175.65
(b) Projects temporarily Suspended	-	-	-	-	-
	79.08	65.12	31.09	0.36	175.65

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

	As at March 31, 2022	As at March 31, 2021
Land (Gross Carrying value)	80.16	80.16
Opening accumulated deprecation	(3.23)	(2.42)
Depreciation	(0.81)	(0.81)
Total Right -of -use asset	**76.12**	**76.93**

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

Note 4: Investment property

	As at March 31, 2022	As at March 31, 2021
Land	8.02	8.02
Net carrying amount	**8.02**	**8.02**

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

Note 5: Intangible assets (acquired)

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount	54.98	778.60	-	833.58
Additions	-	-	-	-
Closing gross carrying amount	54.98	778.60	-	833.58
Accumulated amortisation				
Opening accumulated amortisation	37.03	75.34	-	112.37
Amortisation charge during the year	3.24	64.60	-	67.84
Closing accumulated amortisation	40.27	139.94	-	180.21
Closing net carrying amount as at March 31, 2021	**14.71**	**638.66**	**-**	**653.37**
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	54.98	778.60	-	833.58
Additions	-	32.77	162.18	194.95
Closing gross carrying amount	54.98	811.37	162.18	1028.53
Accumulated amortisation				
Opening accumulated amortisation	40.27	139.94		180.21
Amortisation charge during the year	6.70	80.19	2.76	89.65
Closing accumulated amortisation	46.97	220.13	2.76	269.86
Net carrying amount as at March 31, 2022	**8.01**	**591.24**	**159.42**	**758.67**

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.

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 6: Non-current investments		
(Un quoted, fully paid up)		
Investment in equity instruments in subsidiary companies (at cost)		
Premier Wire Products Limited 52,00,000 (March 31, 2021: 52,00,000) equity shares of ₹ 10/- each, fully paid	520.00	520.00
PELNEXT Defence Systems Private Limited 10,000 (March 31, 2021:10,000) equity shares of ₹ 10/- each fully paid	1.00	1.00
Investment in equity instruments in joint venture (at cost)		
BF Premier Energy Systems Private Limited 1,00,000 (March 31, 2021: 1,00,000) equity shares of ₹ 10/- each, fully paid	10.00	10.00
Total Non-current investments	**531.00**	**531.00**
Aggregate amount of unquoted investments	531.00	531.00
Aggregate amount of impairment in the value of investments	-	-

Note 7: Loan

Non Current

Loan considered good -unsecured		
Loan to related parties* (Refer note: 38)	3.63	2.38
Total Loans	**3.63**	**2.38**

*Financial assets carried at amortised cost

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

PELNEXT Defence Systems Private Limited

Outstanding at year end	3.63	2.38
Maximum outstanding	**3.63**	**2.38**

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

Note 7(b): Amounts repayable on demand

Type of Borrowers	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan	Percentage to total Loans	Amount of Loan	Percentage to total Loans
Related Party	3.63	100%	2.38	100%

Note 8 : Income tax assets (net)

(i) Non current

	As at March 31, 2022	As at March 31, 2021
Advance taxes (net of provision for tax of ₹ 496 lakhs; March 31, 2021 : ₹ 891 lakhs)	324.88	230.92
Total Income tax assets (net)	**324.88**	**230.92**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 9 : Other assets		
(i) Non current		
Capital advances	345.16	98.55
Advances other than capital advances:		
Security deposits	215.07	213.58
Pre-paid expenses	135.37	186.50
Total other non-current assets	**695.60**	**498.63**
(ii) Current		
Balances with government authorities	201.33	448.89
Prepaid expenses	200.81	235.46
Advances to suppliers	567.52	422.86
Other receivable	110.40	98.22
Total other current assets	**1,080.06**	**1,205.43**

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

Raw materials	1,480.72	1,313.64
Work-in-progress	1,229.20	611.72
Finished goods	353.34	1,154.01
Stores and spares	704.21	588.14
Scrap (at net realisable value)	2.49	4.56
Total inventories	**3,769.96**	**3,672.07**
Raw materials includes stock in transit	-	0.30

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

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

Note 11: Trade receivables

(i) Current

Trade receivables from contract with customer - Billed	7,268.28	4,748.33
Trade receivables from contract with customer - Unbilled	304.50	269.59
Less: Provision for expected credit loss (Refer Note:32(A))	524.62	545.47
Total current trade receivables	**7,048.16**	**4,472.45**

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

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

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	7,048.16	4,472.45
Trade receivables which have significant increase in credit risk	524.62	545.47
Trade receivables - credit impaired	-	-
Total	**7,572.78**	**5,017.92**
Less: Provision for expected credit loss (Refer note:32(A))	524.62	545.47
Total trade receivables	**7,048.16**	**4,472.45**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

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	2,855.46	3221.18	510.86	142.29	43.59	242.10	7,015.48
- Considered doubtful	-	-	26.89	40.59	23.47	433.67	524.62
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	32.68	32.68
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(d): Trade Receivables ageing as at March 31, 2021

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	1,886.81	1,843.58	78.94	243.55	94.17	290.51	4,437.56
- Considered doubtful	-	-	60.00	40.00	120.00	325.47	545.47
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	6.35	28.54	34.89
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(e): Transferred Receivables

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

	As at March 31, 2022	As at March 31, 2021
Total Transferred Receivables	645.11	-
Associated secured borrowing (Refer Note No :15(ii))	(336.37)	-

Note 12: Cash and cash equivalents

Balances with banks		
in current accounts	13.78	16.68
in EEFC accounts	0.66	35.51
Deposits with banks with original maturity is less than three months	24.53	31.40
Cash on hand	3.40	6.60
Total cash and cash equivalents	**42.37**	**90.19**

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 13: Bank balances other than cash and cash equivalents		
Earmarked balances with bank *	17.95	22.01
Deposits with original maturity over 3 months but less than 12 months	66.64	79.29
Margin money deposits with banks	345.28	430.77
Total Bank balances other than cash and cash equivalents	**429.87**	**532.07**

* * Earmarked balances represent unpaid dividend.

Note 13 (a): Margin money deposits include ₹ 343.82 lakhs (March 31, 2021: ₹ 415.68 lakhs) pledged / lien against bank guarantees issued by the banks. (refer note: 34)

Note 14: Equity share capital

Movement of equity share capital during the year

Authorised

	No of shares	Amount
As at April 1, 2020	15,000,000	1,500.00
Change during the year	-	-
As at March 31, 2021	**15,000,000**	**1,500.00**
Change during the year	-	-
As at March 31, 2022	**15,000,000**	**1,500.00**

Issued, subscribed and paid up

	No of shares	Amount
As at April 1, 2020	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2021	**10,752,239**	**1,075.22**
Change during the year	-	-
As at March 31, 2022	**10,752,239**	**1,075.22**

Preferential allotment

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

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Dr. A.N.Gupta	2,620,183	24.37%	2,620,183	24.37%
Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	1,167,467	10.86%
A. N. Gupta (HUF)	656,697	6.11%	656,697	6.11%
Dilip Kumar Lakhi	691,530	6.43%	290,363	2.70%

(All amounts in INR lakhs, unless otherwise stated)

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2022		% Change during the year	As at March 31, 2021		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	2,620,183	24.37%	0.00%	2,620,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	0.00%	1,167,467	10.86%	0.00%
3) A. N. Gupta (HUF)	656,697	6.11%	0.00%	656,697	6.11%	0.00%

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at March 31, 2022	As at March 31, 2021

Note 15: Borrowings

(i) Non-current

	As at March 31, 2022	As at March 31, 2021
Term loans		
Secured -At Amortised Cost		
From banks	1,014.63	1,327.13
Less: Current maturities of long-term debt	(506.63)	(304.17)
Less: Unamortised upfront fee	-	(0.56)
Total Non current borrowings	**508.00**	**1,022.40**

Note 15 (a): Above secured term loans are secured by first charge on the Non current assets of the company and second charge on current assets of the company and personal guarantee by Chairman and Managing Director & Deputy Managing Director of the company.

Note 15 (b): Repayment terms: Secured term loan comprises of 3 equal quarterly instalments of ₹65.63 lakhs and one instalment of 30.76 lakhs. With respect to other term loans 36 equal monthly instalments of ₹14.92 lakhs each & 30 equal monthly instalments of ₹8.33 lakhs with an applicable interest rate lies 7.2% to 9.25% respectively as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.00	4,352.85	3,735.38
Buyers credit from bank	0.03 to 0.08	501.99	-
Packing credit	2.85 to 3.15	935.87	-
Factored receivable	2.85 to 3.15	336.37	-
Current maturities of long-term borrowings	7.40 to 8.45	506.63	304.17
Interest accrued but not due		7.67	5.62
Unsecured -At Amortised Cost			
Loans from banks	-	-	1.17
Loans from related parties (Refer note: 38)	10.00 to 11.00	896.18	1,031.14
Total current borrowings		**7,537.56**	**5,077.48**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and fixed assets of the company and personal guarantee of two directors of the company.

Note 15(d): Factored Receivables are secured by first charge on trade receivables subject to factoring arrangement.

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

		As at March 31, 2022	As at March 31, 2021
Note 16: Other financial liabilities			
i)	**Non-current**		
	Dealership deposits	2.20	2.20
	Earnest money deposits	6.45	6.45
		8.65	**8.65**
ii)	**Current**		
	Unclaimed dividend (Refer note: 16.1)	17.95	22.01
	Capital creditors	92.88	93.04
	Employee benefits payable	416.30	930.76
	Creditors for expenses	412.08	384.12
	Total other financial liabilities	**939.21**	**1,429.93**

Note 17: Provisions

Employee benefit obligations			
i)	**Non-current**		
	Gratuity (Refer note : 25(a))	374.13	297.21
	Leave encashment	158.58	213.08
	Total	**532.71**	**510.29**
ii)	**Current**		
	Gratuity (Refer note : 25(a))	110.39	81.53
	Leave encashment	69.62	128.01
	Total	**180.01**	**209.54**

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 18: Deferred tax liabilities (net)		

The balance comprises temporary differences attributable to:

Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,002.81	1,850.34
Deferred tax on transaction cost on borrowings	-	0.16
Provision for expected credit loss	(145.95)	(151.75)
Expenses allowable on the basis of payment	(372.15)	(424.53)
Carry forwarded losses	(799.78)	(760.13)
Deferred tax (assets) / liabilities (net)	**684.93**	**514.09**

Movement in deferred tax (assets) / liabilities

	Property, plant and equipment	Provision for expected credit loss	Carry forwarded losses	Expenses allowable on the basis of payment	Deferred tax on transaction cost on borrowings	Total
As at April 1, 2020	**1,697.71**	**(135.06)**	**(448.51)**	**(190.36)**	**0.56**	**924.34**
Charged / (credited)						
- to profit or loss	152.63	(16.69)	(311.62)	(206.65)	(0.40)	(382.73)
- to other comprehensive income	-	-	-	(27.52)	-	(27.52)
As at March 31, 2021	**1,850.34**	**(151.75)**	**(760.13)**	**(424.53)**	**0.16**	**514.09**
Charged / (credited)						
- to profit or loss	152.47	5.80	(39.65)	75.50	(0.16)	193.96
- to other comprehensive income	-	-	-	(23.12)	-	(23.12)
As at March 31, 2022	**2,002.81**	**(145.95)**	**(799.78)**	**(372.15)**	**-**	**684.93**

Note 19: Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory taxes payable	65.06	65.96
Advance from customers	754.76	372.01
Total other current liabilities	**819.82**	**437.97**

Note 20: Current tax liabilities (net)

Interest on income tax	8.85	12.90
Total current tax liabilities	**8.85**	**12.90**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 21: Revenue from operations		
Revenue from contracts with customers		
- Sale of products	17,468.91	12,566.56
- Sale of traded goods	166.09	317.86
- Sale of services	2,226.35	2,372.76
	19,861.35	**15,257.18**
Other operating revenue	51.42	80.01
Total revenue from operations	**19,912.77**	**15,337.19**

Disaggregation of revenue from contracts with customers

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

Geographical location		
- India	17,192.63	13,431.53
- Other countries	2,720.14	1,905.66
Total	**19,912.77**	**15,337.19**

Information about major customers:

Two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2022 and One customer represents 10% or more of the Company's total revenue during the year ended March 31, 2021.

Contract Price Reconciliation

Contract Price	20,148.91	15,640.47
Less: Variable consideration	236.14	303.28
	19,912.77	**15,337.19**

Note 22: Other income

Interest income from financial assets measured at amortised cost	49.30	39.33
Gain on sale of property, plant & equipment	-	0.89
Net gain on foreign currency transactions and translations	73.56	34.80
Expected credit loss provision no longer required written back (net)	20.85	-
Credit balances written back	24.81	-
Other non-operating income	21.16	12.13
Total other income	**189.68**	**87.15**

Note 23: Cost of raw materials consumed

Raw materials at the beginning of the year	1,313.64	1,725.46
Add: Purchases	9,541.39	6,574.91
Less: Raw materials at the end of the year	(1,480.72)	(1,313.64)
Total cost of raw materials consumed	**9,374.31**	**6,986.73**

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021

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

Opening balance		
Finished goods	1,154.01	352.72
Work-in-progress	611.72	1,463.25
Scrap	4.56	5.57
Total opening balance	**1,770.29**	**1,821.54**
Closing balance		
Finished goods	353.34	1,154.01
Work-in-progress	1,229.20	611.72
Scrap	2.49	4.56
Total closing balance	**1,585.03**	**1,770.29**
Changes in inventories of finished goods, work-in-progress and scrap	**185.26**	**51.25**

Note 25: Employee benefits expense

Salaries, wages, bonus and other allowances	4,192.68	4,276.07
Contribution to provident fund and other funds	212.71	288.97
Contribution to ESI	12.94	13.17
Staff welfare expenses	208.32	149.74
Total employee benefits expense	**4,626.65**	**4,727.95**

Note 25(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to Provident Fund	190.03	204.68
Employer's contribution to ESI	12.94	13.20

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021

Gratuity (funded)

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

Defined benefit obligation at beginning of the year	1,097.53	1,178.68
Current service cost	16.40	72.47
Interest cost	17.06	68.47
Actuarial (gain) / loss	119.70	100.54
Benefits paid	(140.19)	(322.63)
Defined benefit obligation at year end	1,110.50	1,097.53

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

Fair value of plan assets at beginning of year	718.79	981.27
Expected return on plan assets	10.77	55.35
Actuarial (gain) / loss	36.60	1.62
Employer's contribution	-	4.99
Benefits paid	(140.18)	(322.63)
Others contributions	-	(2.26)
Adjustments to opening balances	-	0.45
Fair value of plan assets at year end	625.98	718.79

C) Reconciliation of fair value of assets and obligations

Fair value of plan assets	625.98	718.79
Present value of obligation	1,110.50	1,097.53
Amount recognised in balance sheet, surplus/(deficit)	**(484.52)**	**(378.74)**

D) Expenses recognised during the year

	For the year ended March 31, 2022	For the year ended March 31, 2021
In income statement		
Current service cost	16.40	72.47
Interest cost	17.06	68.47
Return on plan assets	(10.77)	(55.35)
Net cost	**22.69**	**85.59**
In other comprehensive income		
Actuarial (gain) / loss	(83.10)	(98.92)
	105.79	**184.51**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2022	As at March 31, 2021
Discount rate	7.29%	6.81%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	55/58- Years	55/58- Years
Average balance future services	14.87	14.99
Mortality table (Life Insurance Corporation)	2012-14	2012-14

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity analysis

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

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	1,110.50	1,097.53
Discount rate: (% change compared to base due to sensitivity)		
Increase : +1%	1,041.37	1,021.34
Decrease: -1%	1,187.79	1,183.35
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,195.95	1,191.31
Decrease: -1%	1,032.98	1,013.16
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,124.48	1,111.33
Decrease: -1%	1,095.11	1,082.30

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 7.62 years (March 31, 2021:10.52 years). The expected cash flows over the years is as follows:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation - gratuity		
Less than a year	110.39	81.53
Between 2-5 years	379.06	335.59
Over 6 years	760.89	739.17

Risk management

Defined benefit plans are prone to a number of risks, the most significant of which are detailed below:

Interest rate risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Salary cost inflation risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest and finance charges on financial liabilities carried at amortised cost	584.60	527.60
Other borrowing costs	166.16	207.70
Total finance costs	**750.76**	**735.30**

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	847.02	528.35
Depreciation of right-of-use assets	0.81	0.81
Amortisation of intangible assets	89.65	67.84
Total depreciation and amortisation expense	**937.48**	**597.00**

Note 28: Research and development expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials consumed	8.16	7.81
Salaries, wages, bonus and other allowances.	51.22	59.46
Contribution to provident and other funds.	1.53	1.91
Contribution to ESI.	-	0.03
Total research and development expenses	**60.91**	**69.21**

Note 29: Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	40.73	27.38
Consumption of packing materials	352.52	255.12
Power and fuel	254.60	149.53
Repairs and maintenance		
- Plant and machinery	434.53	277.58
- Buildings	9.12	16.59
- Others	139.59	88.62
Insurance	154.43	158.22
Rent	17.02	149.36
Rates and taxes, excluding taxes on income	86.00	47.68
Legal and professional charges	88.83	78.47
Directors sitting fees	12.80	7.60
Travelling and conveyance	206.61	183.03
Sales commission	97.97	60.45
Carriage outward	561.06	312.49
Other selling expenses	200.47	73.93
Payments to auditors	24.15	20.91

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Bad debts written off*	210.93	280.62
Book deficit on assets discarded	1.99	-
Expected credit loss	-	60.00
Donations	13.90	0.70
Corporate social responsibility expenditure	11.86	15.68
Security charges	117.15	86.97
Testing fees	38.47	25.64
General expenses	197.08	138.49
Total other expenses	**3,271.81**	**2,515.06**

* Mainly on account of Late delivery charges of ₹ 62.32 Lakhs (2020-21 ₹ 19.15 Lakhs), Powder Factor deduction of ₹ 29.90 Lakhs (2020-21 : 252.37 lakhs /-) and other deductions of ₹ 118.71 Lakhs (2020-21 : ₹ 9.10 Lakhs)

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to auditors		
As auditors		
As Statutory auditor	7.50	7.50
For Quarterly reviews	6.75	6.75
In other capacities		
For GST Review	3.00	3.00
For certifications and other attest functions	5.70	2.40
Re-imbursement of expenses	1.20	1.26
Total payments to auditors	**24.15**	**20.91**

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent as per section 135 of the Act	-	15.67
Amount of expenditure incurred during the year on		
(i) Promoting education	0.60	0.44
(ii) Promoting healthcare	11.26	15.24
Total Amount spent during the year	**11.86**	**15.68**
Shortfall at the end of previous year	-	-
Total of Previous years short fall	-	-
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Income tax expense

This note provides an analysis of the company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	(26.21)	(31.86)
Total current tax expense	**(26.21)**	**(31.86)**
Deferred tax		
Decrease/ (increase) in deferred tax assets	112.82	(158.98)
(Decrease)/ increase in deferred tax liabilities	81.14	(223.75)
Total deferred tax expense/(benefit)	**193.96**	**(382.73)**
Income tax expense	**167.75**	**(414.59)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit /(loss)from operations before income tax expenses	**729.76**	**(1,489.06)**
Income tax expense		
Tax at the rate of 26%	189.74	(387.16)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	20.40	19.61
Weighted deduction on research and development	(6.58)	(6.37)
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	23.12	27.52
Adjustments for current tax of prior periods	(26.21)	(31.86)
Tax effect on others	12.98	9.37
Income tax expense	**167.75**	**(414.59)**

Note 31 : Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

(All amounts in INR lakhs, unless otherwise stated)

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

	Fair value hierarchy	Notes	As at March 31, 2022		As at March 31, 2021	
			Carrying value	Fair value	Carrying value	Fair value
A. Financial assets						
Measured at amortised cost						
Cash and cash equivalents	Level -3	12	42.37	42.37	90.19	90.19
Other bank balances	Level -3	13	429.87	429.87	532.07	532.07
Trade receivables	Level -3	11	7,048.16	7,048.16	4,472.45	4,472.45
Loans	Level -3	7	3.63	3.63	2.38	2.38
Total financial assets			**7,524.03**	**7,524.03**	**5,097.09**	**5,097.09**
B. Financial liabilities						
Measured at amortised cost						
Trade payables	Level -3		2,118.31	2,118.31	1,688.10	1,688.10
Borrowings	Level -3	15	8,045.56	8,045.56	6,099.88	6,099.88
Other financial liabilities	Level -3	16	947.86	947.86	1,438.58	1,438.58
Total financial liabilities			**11,111.73**	**11,111.73**	**9,226.56**	**9,226.56**

Note:

(i) Investments mentioned in note 6 include equity investments in Subsidiaries and Joint venture which are carried at costs and hence are not required to be disclosed as per Ind AS 107 “Financial Instruments Disclosures”. Hence, the same have been excluded from the above table.

(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.

Note 32 : Financial instruments and risk management - Financial risk management

The Company’s activities are exposed to Credit risk, Market risk and Liquidity risk. The Company emphasises on risk management and has an enterprise wide approach to risk management. The Company’s risk management and control procedures involve prioritization and continuing assessment of these risks and devises appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The Company follows a ‘simplified approach’ (i.e. based on Life time expected credit losses) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Particulars	As at March 31, 2022	As at March 31, 2021
Expected credit losses (ECL)		
Opening balance	545.47	485.47
Less: No longer required written back	(20.85)	-
Add: ECL Movement during the year	-	60.00
Closing balance	524.62	545.47

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk

Market risk is the risk that the future value of a financial instrument will fluctuate due to movements in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- **Interest rate risk**

  Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

Foreign currency risk - Sensitivity

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date

	As at March 31, 2022			
	GBP (in number)	**USD (in number)**	**EURO(in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	363,585	175,432	423.38
Balance with banks	-	876	-	0.66
Deposits recoverable	-	1,325	-	0.89
Total	-	365,786	175,432	424.93
Foreign currency liabilities				
Payables for supplies and services	-	72,981	435,491	422.18
Current borrowings	-	1,144,220	1,032,702	1,737.27
Capital Creditors	2,032	-	-	1.94
Total	2,032	1,217,201	1,468,193	2,161.38
Net foreign currency assets / (liabilities)	(2,032)	(851,415)	(1,292,761)	1,736.45
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	24,142	149,252	144.84
Advance from customers	-	649,851	-	487.63

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2021			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	258,312	146,250	315.79
Balance with banks	-	48,307	-	35.51
Deposits Recoverable	-	1,325	-	0.89
Total	-	307,944	146,250	352.19
Foreign currency liabilities				
Payables for supplies and services	-	46,566	557,491	514.22
Buyers Credit	-	-	-	-
Capital Creditors	2,032	-	-	1.93
Total	2,032	46,566	557,491	516.15
Net foreign currency assets / (liabilities)	(2,032)	261,378	(411,241)	(163.96)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance for purchase of spares and equipment				
Advance from customers	-	387,664	3,000	283.65

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, 2022	For the year ended March 31, 2021
GBP	0.05	0.05
USD	(16.19)	4.81
EURO	(27.28)	(8.84)

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The company invests its surplus funds in deposits with maturity of 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, 2022				
Non-current borrowings	-	508.00	-	508.00
Current borrowings	7,537.56	-	-	7,537.56
Trade and other payable	2,118.31	-	-	2,118.31
Other financial liabilities	939.21	8.65	-	947.86
Total financial liabilities	**10,595.08**	**516.65**	**-**	**11,111.73**
Year ended March 31, 2021				
Non-current borrowings	-	1,022.40	-	1,022.40
Current borrowings	5,077.48	-	-	5,077.48
Trade and other payable	1,688.10	-	-	1,688.10
Other financial liabilities	1,429.93	8.65	-	1,438.58
Total financial liabilities	**8,195.51**	**1,031.05**	**-**	**9,226.56**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

D) Other risk – Impact of COVID-19

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2022.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions..

Note 33: Capital management

(a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2022	As at March 31, 2021
Net debt*	7,591.27	5,499.63
Equity	19,002.94	18,500.91
Total capital (net debt + equity)	**26,594.21**	**24,000.54**
Gearing ratio (Net debt / Total capital)	**28.54%**	**22.91%**

***Net debt is as follows**

	As at March 31, 2022	As at March 31, 2021
A) Borrowings		
Non-current borrowings	508.00	1,022.40
Current borrowings	7,537.56	5,077.48
Total (A)	**8,045.56**	**6,099.88**
B) Cash and cash equivalents	42.37	90.19
Bank balances other than cash and cash equivalents	411.92	510.06
Total (B)	**454.29**	**600.25**
C) Net debt (A-B)	**7,591.27**	**5,499.63**

(b) Loan covenants

Under the terms of major borrowing facilities, the company is required to comply with the following financial covenants:

* Total net worth should be greater than ₹ 60 crores including deferred tax liabilities.

* Total outside liabilities should be less than 1.25 times of the total net worth of the company

* Debt service coverage ratio should be greater than 1.50 throughout the tenor of the loan

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 34: Contingent liabilities

	As at March 31, 2022	As at March 31, 2021
On account of letters of credit and guarantees issued by the bankers	4,282.21	3,089.92
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	-

Note 35: Commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	621.48	173.64

Note 36: Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the company:

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid as at year-end	8.10	17.20
Interest due thereon as at year-end	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

Note: The list of undertakings covered under MSMED was determined by the company on the basis of information available with the Company and has been relied upon by the auditors.

Note 36(b): Ageing of Trade Payables as at March 31, 2022

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	8.10	-	-	-	-	8.10
Others	1,231.09	718.20	160.92	-	-	2,110.21
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,239.19**	**718.20**	**160.92**	**-**	**-**	**2,118.31**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 36(c): Ageing of Trade Payables as at March 31, 2021

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	17.20	-	-	-	-	17.20
Others	1,020.00	641.65	9.25	-	-	1,670.90
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,037.20**	**641.65**	**9.25**	**-**	**-**	**1,688.10**

Note 37: Interest in other entities

The Company's subsidiaries and Joint venture as at March 31, 2022 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, 2022	As at March 31, 2021
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised Iron wire	80%	80%
PELNEXT Defence Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%	100%
BF Premier Energy Systems Private Limited	Joint venture	Manufacture of defence products	50%	50%

Note 38: Related party transactions

Relationship	Name of related party
(a) Enterprises where control exists	
Wholly owned subsidiary companies	PELNEXT Defence Systems Private Limited
Subsidiaries	Premier Wire Products Limited
Joint venture	BF Premier Energy Systems Private Limited
(b) Key management personnel (KMP)	Dr. A.N.Gupta (Chairman (w.e.f. 14.02.2022), Managing Director till 13.02.2022))
	Mr. T.V. Chowdary Managing Director (w.e.f. 14.02.2022), Deputy Managing Director till 13.02.2022)
	Mr. Y. Durga Prasad Rao, Whole time Director
	Dr. (Mrs.) Kailash Gupta, Non Executive Director
	Mr. Anil Kumar Mehta, Independent Director
	Mr. P.R. Tripathi, Independent Director
	Mr. K. Rama Rao, Independent Director
	Dr. A.V enkat Raman, Independent Director
	Mrs. Shonika Prasad (w.e.f 07.01.2022)
	Lt. Gen P.R. Kumar, Independent Director
(c) Relatives of key management personnel	Mrs.T. Malati
	Mrs.T.Shruti
(d) Concerns in which key management personnel have substantial interest (significant interest entities)	A.N.Gupta(HUF)
	Vedik Divya Jyothi Gurukul Trust

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties

	Amount of transaction	Amount Receivable/ (Payable)	Amount of transaction	Amount Receivable/ (Payable)
	For the year ended March 31, 2022	As at March 31, 2022	For the year ended March 31, 2021	As at March 31, 2021
Key Management Personnel				
Short term employee benefits				
Managerial remuneration	400.20	(28.46)	358.21	(20.82)
Others				
Acceptance of unsecured loan	-	(640.82)	31.00	(744.14)
Repayment of unsecured loan	22.00		-	
Interest paid	69.52		79.39	
Sitting fees	12.80	-	7.60	-
Professional Charges	3.10	-	-	-
Concerns in which the company has substantial interest (subsidiary company)				
Acceptance of unsecured loan	-	(255.39)	52.10	(287.00)
Repayment of unsecured loan	53.70		59.67	
Purchase of Property, plant and equipment	7.30		-	
Interest paid	26.06		30.84	
Reimbursement of expenses	1.88		-	
Rent paid	1.19		1.19	

	Amount of transaction	Amount Receivable/ (Payable)	Amount of transaction	Amount Receivable/ (Payable)
	For the year ended March 31, 2022	As at March 31, 2022	For the year ended March 31, 2021	As at March 31, 2021
Concerns in which the company has substantial interest (wholly owned subsidiary company)				
Loan given	1.00	3.63	-	2.38
Reimbursement of expenses	0.08			
Interest income	0.28		0.25	
Concerns in which key management personnel have substantial interest				
Purchase of Property, plant and equipment	345.00	-	-	-

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Information regarding significant transactions

(Generally in excess of 10% of the total transaction value of the same type)

Nature of transaction / related party	For the year ended March 31, 2022	For the year ended March 31, 2021
Acceptance of unsecured loans		
Dr. A.N.Gupta	-	25.00
Premier Wire Products Limited	-	52.10
Interest paid		
Dr. A.N.Gupta	56.42	62.75
Dr. Kailash Gupta	13.10	16.64
Premier Wire Products Limited	26.06	30.84
Managerial remuneration paid*		
Dr. A.N.Gupta	271.91	250.96
Mr. T.V. Chowdary	85.16	71.44
Mr. Y. Durga Prasad Rao	43.13	35.81
Repayment of unsecured loans		
Dr. A.N.Gupta	8.00	-
Dr. Kailash Gupta	14.00	-
Premier Wire Products Limited	53.70	59.67
Professional Fess		
Dr. A.N.Gupta	3.00	
Sitting fees		
Dr. A.N.Gupta	0.20	-
Dr. Kailash Gupta	1.80	1.30
Mr. Anil Kumar Mehta	2.90	1.80
Mr. P.R. Tripathi	2.30	1.70
Mr. K. Rama Rao	2.60	1.20
Dr.A.Venkataraman	1.40	0.80
Mr.P.R.Kumar	1.40	0.80
Mrs. Shonika Prasad	0.20	-
Purchase of Property, plant and equipment		
Premier Wire Products Limited	7.30	-
Vedik Divya Jyothi Gurukul Trust	345.00	-
Rent paid		
Premier Wire Products Limited	1.19	1.19
Loan given		
PEL NEXT Defence Systems Private Limited	1.00	-
Interest income		
PEL NEXT Defence Systems Private Limited	0.28	0.25
Reimbursement of expenses		
Premier Wire Products Limited	1.88	-
PEL NEXT Defence Systems Private Limited	0.08	-

*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 ranges 10-11% per annum.

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

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 39: Donation to political parties

	For the year ended March 31, 2022	For the year ended March 31, 2021
Communist party of India (Marxist Leninist)	1.80	0.25
	1.80	**0.25**

Note 40: Earnings / (Loss) per share (EPS)

		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	**Basic & Diluted EPS (₹)**		
	Earnings /(Loss) per share attributable to the equity holders of the company	5.23	(9.99)
(b)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic and Diluted earnings per share		
	Earnings / (Loss) attributable to the equity holders of the company used in calculating earnings per share	562.01	(1,074.47)
(c)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,752,239	10,752,239
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	10,752,239	10,752,239

Note 41 : Assets pledged as security

The carrying amounts of Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	7,524.03	5,097.09
Non financial assets	4,850.02	4,877.50
Collateral security		
non-current assets		
Non financial assets	17,580.67	17,446.82
Towards current borrowings	**29,954.72**	**27,421.41**
Non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	17,580.67	17,446.82
Collateral security		
Current assets		
Financial assets	7,520.40	5,094.71
Non financial assets	4,850.02	4,877.50
Towards non-current borrowings	**29,951.09**	**27,419.03**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 42: No Delay in charge creation / satisfaction with ROC beyond the statutory period.

Note 43: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.07	1.13	-5%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.42	0.33	28%
c) Debt service coverage ratio (in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	2.73	0.42	557%
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	3%	-6%	9%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	4.69	3.19	47%
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	3.46	3.34	3%
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	5.01	3.68	36%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	25.85	13.71	89%
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	2.82%	-7.01%	10%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	4.65%	0.27%	4%

Reasons for Variance:

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

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

Inventory Turnover Ratio: Change is on account of increase in revenue from operations during the year.

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

Net Capital Turnover Ratio: Change on account of increase in Revenue and decrease in working capital.

Note 44 (i): No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 44 (ii): No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 45: Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting:

Utilisation of funds	As at March 31, 2022	As at March 31, 2021
On Equity Shares of Rs.10/- each		
Proposed dividend*	161.28	-
Proposed dividend per equity share in Rupees	1.50	-

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

Note 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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
Thursday, May 26, 2022

P. Srihari
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

INDEPENDENT AUDITOR'S REPORT

To The Members of PREMIER EXPLOSIVES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PREMIER EXPLOSIVES LIMITED** ("the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/loss in its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter (Standalone)	Auditor's Response
1	**Fair value assessment of trade receivables** Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note 11 to the consolidated financial statements, 20.12 % of the trade receivables of the parent company are past due more than 180 days. The most significant portion of the trade receivables over 180days comprises of Public Sector companies and Government organisations which are within their historic payment patterns. Company applies the simplified approach and recognises Expected credit loss (ECL) for trade receivable balances (refer standalone Note No 32(A)). Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics, by grouping days past due of customers. Accordingly, the estimation of the Expected Credit Losses allowances on trade receivables outstanding as at year end is a significant judgement area, hence considered as a key audit matter. (Standalone Trade receivables outstanding as at March 31, 2022 – ₹ 7048.16 lakhs – which is near to 94.09 % 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, 2022. • 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, 2022 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.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report including annexures to directors' report Corporate governance and Management discussion and analysis (MD & A), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports containing other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors.
- When we read the Directors report including annexures to directors report, Corporate governance and Management discussion and analysis (MD & A), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements two subsidiaries whose financial statements reflect total assets of Rs.626.93 Lakhs as at March 31, 2022, total income of Rs.119.62 Lakhs total net loss after tax and total comprehensive income of Rs. 39.89 lakhs and net cash inflows amounting to Rs.5.49 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. Nil lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements in respect of One joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

(b) The auditors of subsidiaries Premier Wire Products Limited and PELNEXT Defence Systems Private Limited have highlighted material uncertainty related to going concern related to going concern in their respective audit reports.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries and joint venture referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture, none of the directors of the Group companies, joint venture company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and one of the subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

With respect to one joint venture and one subsidiary company, exemption available for reporting under section 143(3)(i) of the Act, in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint venture (Refer Note no 34 to the consolidated Financial statements).

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 and joint venture 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 and joint venture company.

iv) (a) The respective Managements of the Company and its subsidiaries, Joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries, Joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

(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 48 to the Consolidated financial statements

a) The Group has not issued any interim dividend during the year.

b) 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.

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

Kowshik Anna
Partner
Membership No:244172
UDIN No: 22244172AJQUWO1019

Place: Hyderabad
Date: May 26, 2022

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, 2022, we have audited the internal financial controls over financial reporting of **PREMIER EXPLOSIVES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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

Kowshik Anna
Partner
Membership No:244172
UDIN No: 22244172AJQUWO1019

Place: Hyderabad
Date: May 26, 2022

CONSOLIDATED BALANCE SHEET
as at March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars				Note	As at March 31, 2022	As at March 31, 2021
ASSETS						
I	**Non-current assets**					
	(a)	Property, plant and equipment		3(a)	17,202.83	17,670.85
	(b)	Capital work-in-progress		3(a)	369.82	175.65
	(c)	Right -of- use asset		3(b)	76.12	76.93
	(d)	Investment property		4	8.02	8.02
	(e)	Intangible assets		5	758.68	653.38
	(f)	Investments accounted through equity method		6	-	-
	(g)	Income tax asset		8	324.88	230.92
	(h)	Other non-current assets		9	715.53	521.04
	Total Non-current assets				**19,455.88**	**19,336.79**
II	**Current assets**					
	(a)	Inventories		10	3,769.96	3,672.07
	(b)	Financial assets				
		(i)	Trade receivables	11	7,155.10	4,579.39
		(ii)	Cash and cash equivalents	12	49.95	92.28
		(iii)	Bank balances other than (ii) above	13	429.87	532.07
		(iv)	Others	7	35.00	-
	(c)	Other current assets		9	1,086.48	1,213.15
	(d)	Current tax asset			9.75	5.90
	Assets classified as held for sale				185.94	**-**
	Total Current assets				**12,722.05**	**10,094.86**
TOTAL ASSETS					**32,177.93**	**29,431.65**
EQUITY AND LIABILITIES						
III	**Equity**					
	(a)	Equity share capital		14	1,075.22	1,075.22
	(b)	Other equity			17,872.96	17,402.93
	Equity attributable to equity share holders of parent				**18,948.18**	**18,478.15**
	Non controlling interest				119.62	127.43
	Total Equity				**19,067.80**	**18,605.58**
IV	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	15	508.00	1,022.40
		(ii)	Other financial liabilities	16	9.15	9.15
	(b)	Provisions		17	532.71	510.29
	(c)	Deferred tax liabilities (net)		18	696.57	516.86
	(d)	Other non-current liabilities		19	-	3.12
	Total Non-current liabilities				**1,746.43**	**2,061.82**
V	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	15	7,282.20	4,790.48
		(ii)	Trade payables:			
			- dues to micro and small enterprises		8.10	17.20
			- dues to others (Refer note: 36)		2,110.21	1,672.43
		(iii)	Other financial liabilities	16	941.21	1,437.01
	(b)	Other current liabilities		19	823.12	624.69
	(c)	Provisions		17	180.01	209.54
	(d)	Current tax liabilities (net)		20	8.85	12.90
	Liabilities directly associated with assets classified as held for sale				10.00	-
	Total current liabilities				**11,363.70**	**8,764.25**
	Total liabilities				**13,110.13**	**10,826.07**
TOTAL EQUITY AND LIABILITIES					**32,177.93**	**29,431.65**

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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
May 26, 2022

For and on behalf of the Board

P. Srihari
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	21	19,912.77	15,363.44
II	Other income	22	281.77	93.46
III	**Total income (I+II)**		**20,194.54**	**15,456.90**
IV	**Expenses**			
	Cost of materials consumed	23	9,374.31	6,986.73
	Purchases of stock in trade		165.51	322.89
	Changes in inventories of finished goods, work-in-progress and scrap	24	185.26	51.25
	Employee benefits expense	25	4,644.86	4,765.03
	Finance costs	26	725.67	704.96
	Depreciation and amortization expense	27	950.40	627.30
	Research and development expenses	28	60.91	69.21
	Other expenses	29	3,388.80	2,536.22
	Total expenses (IV)		**19,495.72**	**16,063.59**
V	**Profit /(Loss) before tax and before share of (loss) of investments accounted through equity method and Exceptional Item (III-IV)**		**698.82**	**(606.69)**
VI	**Share of (loss) from joint venture accounted through equity method**		**-**	**-**
VII	**Profit /(Loss) before tax and Exceptional Item (V-VI)**		**698.82**	**(606.69)**
VIII	**Exceptional Item**			
	Voluntary Retirement expenses		**-**	**908.01**
IX	**Profit/(Loss) before tax and after Exceptional Item (VII-VIII)**		**698.82**	**(1,514.70)**
X	**Tax expense**			
	Current tax	30	(26.21)	(31.86)
	Deferred tax	30	202.83	(387.11)
	Total tax expense		**176.62**	**(418.97)**
XI	**Profit/ (Loss) for the year (IX-X)**		**522.20**	**(1,095.73)**
XII	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of post-employment benefit obligations	25(D)	(83.10)	(98.92)
	Income tax relating to above		23.12	27.52
	Other comprehensive income after tax for the year (XII)		**(59.98)**	**(71.40)**
XIII	**Total comprehensive income for the year (XI+XII)**		**462.22**	**(1,167.13)**
	Earnings/(Loss) attributable to :			
	(a) Owners of Premier Explosives Limited		530.01	(1,091.64)
	(b) Non-controlling interest		(7.81)	(4.09)
			522.20	**(1,095.73)**
	Other comprehensive income			
	(a) Owners of Premier Explosives Limited		(59.98)	(71.40)
	(b) Non-controlling interest		-	-
			(59.98)	**(71.40)**
	Total comprehensive income for the year			
	(a) Owners of Premier Explosives Limited		470.03	(1,163.04)
	(b) Non-controlling interest		(7.81)	(4.09)
			462.22	**(1,167.13)**
	Earnings/(Loss) per share (par value of Rs.10 each)			
	Basic	42	4.93	(10.15)
	Diluted	42	4.93	(10.15)

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

P. Srihari
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna
Partner
Membership number: 244172

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 26, 2022

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	(Loss) before tax	698.82	(1,514.70)
	Adjustments for:		
	Depreciation and amortisation expense	950.40	627.30
	Unrealised foreign exchange gain(net)	(18.11)	(0.65)
	Expected credit loss	-	60.00
	Expected credit loss provision no longer required written back (net)	(20.85)	-
	Excess liabilities written back	(1.18)	(1.12)
	Bad debts written off	210.93	283.70
	Interest income	(49.02)	(40.47)
	Book deficit on assets discarded	105.23	-
	Deposits recoverable written off	1.78	-
	Finance costs	725.67	704.96
	Deferred government grant income	(3.12)	(0.91)
	Credit balances written back	(24.81)	-
	(Profit) on sale of Property, Plant and Equipment	(86.87)	(0.89)
	Operating cash flow before working capital changes	**2,488.87**	**117.22**
	Adjustments for		
	Trade receivables, financial assets and other assets	(2,623.78)	94.93
	Inventories	(97.89)	529.56
	Trade payables, other liabilities and provisions	88.90	298.29
	Cash generated from operating activities	**(143.90)**	**1,040.00**
	Income tax paid	(71.60)	(45.24)
	Net cash generated from operating activities	**(215.50)**	**994.76**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(1,443.03)	(1,295.71)
	Insurance claims received against property, plant and equipment	18.45	-
	Proceeds from disposal /sale of property, plant and equipment	192.55	2.59
	Redemption in bank deposits (having original maturity of more than three months) (Net)	33.39	801.98
	Interest received	113.77	91.64
	Net cash inflow / (outflow) from investing activities (B)	**(1,084.87)**	**(399.50)**
C	**Cash flows from financing activities**		
	Proceeds/(repayment) of Long term borrowing (net)	(514.40)	672.30
	Proceeds/(repayment) of short-term borrowings (net)	2,507.78	(637.78)
	Interest paid	(735.34)	(738.72)
	Net cash inflow / (outflow) from financing activities (C)	**1,258.04**	**(704.20)**
D	**Net increase (decrease) in cash and cash equivalents**	(42.33)	(108.94)
	Exchange difference on translation of foreign currency cash and cash equivalents	-	0.65
	Cash and cash equivalents at the beginning of the year	92.28	200.57
E	**Cash and cash equivalents at end of the year**	**49.95**	**92.28**
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)	49.95	92.28
	Balance as per statement of cash flows	**49.95**	**92.28**

The accompanying notes are an integral part of the financial statements

* Amount is below the rounding off norms

1. The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".
2. Previous year figures have been regrouped /reclassified to conform to current year classification.
3. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our report of even date

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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
May 26, 2022

P. Srihari
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

A	Equity share capital			
	Issued, subscribed and paid up equity shares of ₹10/- each	**Note No.**	**No of Shares**	**Amount**
	As at April 01, 2021		1,07,52,239	1,075.22
	Change during the year		-	-
	As at March 31, 2021		**1,07,52,239**	**1,075.22**
	Change during the year		-	-
	As at March 31, 2022	**14**	**1,07,52,239**	**1,075.22**

B Other Equity

	Attributable to Equity holders of Parent					Total other equity	Non-controlling interest	Total
	Reserves & surplus				Other comprehensive income			
	Capital reserve	Securities premium	General reserve	Retained earnings	Actuarial (gains) / losses			
Balance as at April 1, 2020	**21.34**	**7,724.08**	**1,701.20**	**9,328.24**	**(208.89)**	**18,565.97**	**131.52**	**18,697.49**
(Loss) for the year	-	-	-	(1,091.64)	-	(1,091.64)	(4.09)	(1,095.73)
Remeasurements of defined benefit plan, net of income tax	-	-	-		(71.40)	(71.40)	-	(71.40)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,091.64)**	**(71.40)**	**(1,163.04)**	**(4.09)**	**(1,167.13)**
Balance as at March 31, 20201	**21.34**	**7,724.08**	**1,701.20**	**8,236.60**	**(280.29)**	**17,402.93**	**127.43**	**17,530.36**
Balance as at April 1, 2021	**21.34**	**7,724.08**	**1,701.20**	**8,236.60**	**(280.29)**	**17,402.93**	**127.43**	**17,530.36**
Profit for the year	-	-	-	530.01	-	530.01	(7.81)	522.20
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(59.98)	(59.98)	-	(59.98)
Total comprehensive income for the year	**-**	**-**	**-**	**530.01**	**(59.98)**	**470.03**	**(7.81)**	**462.22**
Balance as at March 31, 2022	**21.34**	**7,724.08**	**1,701.20**	**8,766.61**	**(340.27)**	**17,872.96**	**119.62**	**17,992.58**

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

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

(ii) Securities premium reserve

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

(iii) General reserve

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

(iv) Retained earnings

This reserve represents the cumulative profits of the group. It includes land revaluation amount of ₹ 5,746.53 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

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

Kowshik Anna
Partner
Membership number: 244172

Secunderabad
May 26, 2022

For and on behalf of the Board

P. Srihari
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Company Secretary

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Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

1. Background

1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.

1.3 The consolidated financial statements are approved for issue by the Company's Board of Directors on May 26, 2022.

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) New standards and amendments

The group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2 : Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments : Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

(iii) Ind AS 103: Business combination

(iv) Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements.

(iv) Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the companies Act,2013 on 24th March 2021 to increase the transparency and provide additional disclosure to users of financial statements. The amendments are effective from 01 April 2021.

Consequent to the above the group has classified current maturity of long-term borrowing borrowings (including interest accrued thereon) to short-term borrowing from other financial liability.

(v) 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.

A liability is classified as current, if

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be settled within twelve months after the reporting period;

(iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.2 Segment reporting

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at March 31,2022.

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Joint venture

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

The financial statements of each of the subsidiaries and joint venture are used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.4 Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

(ii) Transactions and balances

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

2.5 Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 25(a)(ii)]

- Estimation of expected credit loss on financial assets [refer note: 32(A)]
- Estimation of useful life of fixed assets [refer note: 2.7]
- Estimation of useful life of intangible asset [refer note: 2.8]
- Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) [refer note: 32(d)]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the group and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition

Sale of Products - Recognition & Measurement

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

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

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

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.

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.

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

(i) Computer Software

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

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured.

(ii) Transfer of Technology

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

(iii) Other Licence

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

(iv) Amortization methods and periods

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

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

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

2.9 Equity instruments

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

2.10 Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on the balance sheet when the group becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The group classifies its financial assets in the following measurement categories

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

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

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

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

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

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments

At amortised cost

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

At fair value through other comprehensive income (FVOCI)

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

At fair value through profit or loss (FVTPL)

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

Investment in subsidiaries and joint ventures

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

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

Trade receivables

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

(ii) Financial liabilities

Classification, initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

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

Buyers Credit

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

Packing credit

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

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

Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.

Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.14 Taxation

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations 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.

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.

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.

2.18 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 Non -current asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities directly asscoiated with assets classified as held for sale are presented separately from other liabilities in the balance sheet.

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.

2.24 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.

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

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

Ind AS 103: Business combination

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Consolidated Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 (a) : Property, plant and equipment

Particulars	Freehold Land	Freehold Building	Plant and Machinery		Furniture, fittings and equipment	Vehicles	Data processing Equipment	Total	Capital work-in-progress
			Plant and Machinery	Research and development equipment					
Year ended March 31, 2021									
Gross carrying amount									
Opening Gross carrying amount	6,245.69	2,521.62	5,419.18	312.03	187.06	235.27	71.35	14,992.20	6,169.62
Additions	-	4,140.56	2,951.69	25.31	42.52	-	18.35	7,178.43	(5,993.97)
Disposals	-	-	-		-	(14.83)		(14.83)	-
Closing gross carrying amount	6,245.69	6,662.18	8,370.87	337.34	229.58	220.44	89.70	22,155.80	175.65
Accumulated depreciation									
Opening accumulated depreciation	-	764.45	2,759.30	104.77	143.16	104.71	63.04	3,939.43	-
Depreciation charge during the year	-	123.70	364.53	25.15	18.19	20.52	6.56	558.65	-
Disposals	-	-	-	-	-	(13.13)	-	(13.13)	-
Closing accumulated depreciation	-	888.15	3,123.83	129.92	161.35	112.10	69.60	4,484.95	-
Net carrying amount as at March 31, 2021	**6,245.69**	**5,774.03**	**5,247.04**	**207.42**	**68.23**	**108.34**	**20.10**	**17,670.85**	**175.65**
Year ended March 31, 2022									
Gross carrying amount									
Opening Gross carrying amount	6,245.69	6,662.18	8,370.87	337.34	229.58	220.44	89.70	22,155.80	175.65
Additions	465.21	149.45	174.63	-	12.69	2.29	2.87	807.14	246.93
Disposals/discarded	-	(193.38)	(410.13)	-	(1.41)	(0.38)	(1.16)	(606.46)	(52.76)
Assets classified as held for sale	(185.94)	-	-	-	-	-	-	(185.94)	-
Closing gross carrying amount	6,524.96	6,618.25	8,135.37	337.34	240.86	222.35	91.41	22,170.54	369.82
Accumulated depreciation									
Opening accumulated depreciation	-	888.15	3,123.83	129.92	161.35	112.10	69.60	4,484.95	-
Depreciation charge during the year	-	335.86	457.84	26.97	12.73	19.97	6.57	859.94	
Disposals/discarded	-	(83.65)	(290.71)	-	(1.26)	(0.36)	(1.20)	(377.18)	
Closing accumulated depreciation	-	1,140.36	3,290.96	156.89	172.82	131.71	74.97	4,967.71	-
Net carrying amount as at March 31, 2022	**6,524.96**	**5,477.89**	**4,844.41**	**180.45**	**68.04**	**90.64**	**16.44**	**17,202.83**	**369.82**

Notes to Property, plant and equipment:

2) Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment

3) Refer note 43 for information on property, plant and equipment provided as security by the company

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

	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	237.01	41.17	60.18	31.46	369.82
(b) Projects temporarily Suspended	-	-	-	-	-
	237.01	41.17	60.18	31.46	369.82

4) Aging of capital work-in-progress as at March 31,2021

	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	79.08	65.12	31.09	0.36	175.65
(b) Projects temporarily Suspended	-	-	-	-	-
	79.08	65.12	31.09	0.36	175.65

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 3(b): Right -of -use asset		
Land (Gross Carrying value)	80.16	80.16
Opening accumulated deprecation	(3.23)	(2.42)
Depreciations	(0.81)	(0.81)
Closing carrying value	**76.12**	**76.93**

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

Note 4 :Investment property

Land	8.02	8.02
Net carrying amount	**8.02**	**8.02**

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

Note 5: Intangible assets

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2020				
Gross carrying amount				
Opening gross carrying amount	54.99	778.60	-	833.59
Additions	-	-	-	-
Closing gross carrying amount	54.99	778.60	-	833.59
Accumulated amortisation				
Opening accumulated amortisation	37.03	75.34	-	112.37
Amortisation charge during the year	3.24	64.60	-	67.84
Closing accumulated amortisation	40.27	139.94	-	180.21
Net carrying amount as at March 31, 2021	**14.72**	**638.66**	**-**	**653.38**
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	54.99	778.60	-	833.59
Additions	-	32.77	162.18	194.95
Closing gross carrying amount	54.99	811.37	162.18	1,028.54
Accumulated amortisation				
Opening accumulated amortization	40.27	139.94	-	180.21
Amortisation charge during the year	6.70	80.19	2.76	89.65
Closing accumulated amortisation	46.97	220.13	2.76	269.86
Net carrying amount as at March 31, 2022	**8.02**	**591.24**	**159.42**	**758.68**

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.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 6: Investments accounted through equity method		
(Un quoted, fully paid up)		
Investment in equity instruments in joint venture (carrying amount determined using the equity method of accounting)		
BF Premier Energy Systems Private Limited 1,00,000 (March 31, 2021: 1,00,000) Equity shares of ₹10/- each, fully paid	10.00	10.00
Add: Share of post acquisition loss	(10.00)	(10.00)
Total equity instruments	**-**	**-**
Total non-current investments	**-**	**-**
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-

Note 7 Other financial assets

(i) Current

Other Receivable	35.00	-
Total Other financial assets	**35.00**	**-**

Note 8 : Income tax assets (net)

(i) Non current

Advance taxes (net of provision for tax of ₹ 496 lakhs ; March 31, 2021 : ₹ 891 lakhs)	324.88	230.92
Total Income tax assets (net)	**324.88**	**230.92**

Note 9 : Other assets

(i) Non-current

Capital advances	345.16	98.55
Advances other than capital advances:		
Security deposits	235.00	235.99
Pre-paid expenses	135.37	186.50
Total other non-current assets	**715.53**	**521.04**

(ii) Current

Balances with government authorities	201.47	449.19
Prepaid expenses	200.81	236.60
Advances to suppliers	567.52	422.86
Other receivables	116.68	104.50
Total other current assets	**1086.48**	**1,213.15**

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Note 10: Inventories (valued at lower of cost and net realisable value)		
Raw materials	1480.72	1313.64
Work-in-progress	1229.20	611.72
Finished goods	353.34	1154.01
Stores and spares	704.21	588.14
Scrap (at net realisable value)	2.49	4.56
Total inventories	**3769.96**	**3672.07**
Raw materials includes stock in transit of	-	0.3

Note 10 (a): Refer note 43 for information on inventories provided as security by the parent company.

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

Note 11: Trade receivables

(i) Current

Trade receivables from contract with customers - Billed	7375.22	4855.27
Trade receivables from contract with customers - Unbilled	304.50	269.59
Less: Provision for expected credit loss (Refer note:32(A))	524.62	545.47
Total trade receivables	**7155.10**	**4579.39**

Note 11(a): Refer note 43 for information on trade receivables provided as security by the company.

Note 11 (b): Breakup of security details:

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	7,155.10	4,579.39
Trade receivables which have significant increase in credit risk	524.62	545.47
Trade receivables - credit impaired	-	-
	7,679.72	**5,124.86**
Less: Provision for expected credit loss (refer note 32(A))	524.62	545.47
Balance at the end of the year	**7,155.10**	**4,579.39**

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

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	2855.46	3221.18	510.86	249.23	43.59	242.10	7122.42
- Considered doubtful	-	-	26.89	40.59	23.47	433.67	524.62
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	32.68	32.68
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11(d): Trade Receivables ageing as at March 31, 2021

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	1,886.81	1,950.52	78.94	243.55	94.17	290.51	4544.50
- Considered doubtful	-	-	60.00	40.00	120.00	325.47	545.47
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	6.35	28.54	34.89
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-

Note 11(e): Transferred Receivables

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

	As at March 31, 2022	As at March 31, 2021
Total Transferred Receivables	645.11	-
Associated secured borrowing (Refer Note No :15(ii))	(336.37)	-

Note 12: Cash and cash equivalents

Balances with banks *		
in Current accounts	20.99	18.68
in EEFC accounts	0.66	35.51
Deposits with banks with original maturity is less than three months	24.53	31.4
Cash on hand	3.77	6.69
Total cash and cash equivalents	**49.95**	**92.28**

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

Note 13: Bank balances other than cash and cash equivalents

Earmarked balances with banks	17.95	22.01
Deposits with original maturity over 3 months but less than 12 months	66.64	79.29
Margin money deposits with banks	345.28	430.77
Total bank balances other than cash and cash equivalents	**429.87**	**532.07**

* Earmarked balances represent unpaid dividend.

Note 13 (a): Margin money deposits include ₹ 343.82 lakhs (March 31, 2021: ₹ 415.68 lakhs) pledged / lien against bank guarantees issued by the banks. (refer note: 34)

	As at March 31, 2022	As at March 31, 2021

Note 14: Equity share capital

Movement of equity share capital during the year

Authorised :

	Number of shares	Amount
As at April 01, 2020	15,000,000	1,500.00
Change during the year		-
As at March 31, 2021	**15,000,000**	**1,500.00**
Change during the year	-	-
As at March 31, 2022	**15,000,000**	**1,500.00**

Issued, Subscribed and paid up :

	Number of shares	Amount
As at April 01, 2020	10,752,239	1,075.22
Change during the year	-	-
As at March 31, 2021	**10,752,239**	**1,075.22**
Change during the year	-	-
As at March 31, 2022	**10,752,239**	**1,075.22**

Preferential Allotment :

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

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

	Dr. A.N.Gupta	Dr. (Mrs.) Kailash Gupta	A. N. Gupta (HUF)	Dilip Kumar Lakhi
As at March 31, 2022				
Number of shares	2,620,183	1,167,467	656,697	691,530
% holding	24.37%	10.86%	6.11%	6.43%
As at March 31, 2021				
Number of shares	2,620,183	1,167,467	656,697	290,363
% holding	24.37%	10.86%	6.11%	2.70%

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2022		% Change during the year	As at March 31, 2021		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	2,620,183	24.37%	0.00%	2,620,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	1,167,467	10.86%	0.00%	1,167,467	10.86%	0.00%
3) A. N. Gupta (HUF)	656,697	6.11%	0.00%	656,697	6.11%	0.00%

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021

Note 15: Borrowings

(i) Non-current

Term Loans:

Secured -At Amortised Cost

From Banks	1014.63	1,327.13
Less: Current maturities of long-term debt	(506.63)	(304.17)
Less: Unamortised upfront fee	-	(0.56)
Total non-current borrowings	**508.00**	**1,022.40**

Note 15 (a): Above secured term loans are secured by first charge on the Non current assets of the company and second charge on current assets of the company and personal guarantee by Chairman and Managing Director of the company.

Note 15 (b): Repayment terms: Secured term loan comprises of 3 equal quarterly instalments of ₹ 65.63 lakhs and one instalment of 30.76 lakhs. With respect to other term loans 36 equal monthly instalments of ₹ 14.92 lakhs each & 30 equal monthly instalments of ₹ 8.33 lakhs with an applicable interest rate lies 7.4% to 8.45% respectively as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2022	As at March 31, 2021
Payable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.00	4,352.85	3,735.38
Buyers credit from bank	0.03 to 0.08	501.99	
Packing Credit	2.85 to 3.15	935.87	
Factored Receivable	2.85 to 3.15	336.37	
Current maturities of long-term borrowings	7.40 to 8.45	506.63	304.17
Interest accrued but not due		7.67	5.62
Unsecured -At Amortised Cost			
Loans from banks	-	-	1.17
Loans from related parties (Refer note :40)	10.00 to 11.00	640.82	744.14
Total current borrowings		**7,282.20**	**4,790.48**

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and fixed assets of the company and personal guarantee of two directors of the company.

Note 15(d): Factored Receivables are secured by first charge on trade receivables subject to factoring arrangement.

Note 15 (e): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 43.

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021

Note .16 Other financial liabilities

i) Non-current

Dealership deposits	2.20	2.20
Earnest money deposit	6.95	6.95
	9.15	**9.15**

(ii) Current

Unclaimed dividend (Refer note : 16.1)	17.95	22.01
Capital creditors	92.88	93.04
Employee benefits payable	416.30	932.93
Creditors for expenses	414.08	389.03
Total other financial liabilities	**941.21**	**1,437.01**

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

Note 17: Provisions

Employee benefit obligations		
(i) non-current		
Gratuity (Refer note: 25(a))	374.13	297.21
Leave encashment	158.58	213.08
Total non-current provisions	**532.71**	**510.29**
(ii) Current		
Gratuity (Refer note: 25(a))	110.39	81.53
Leave encashment	69.62	128.01
Total current provisions	**180.01**	**209.54**

Note18: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,038.72	1,914.96
MAT credit entitlement	-	(0.14)
Deferred tax transition cost	(24.27)	(29.65)
Provision for expected credit losses	(372.15)	(424.53)
Carry forwarded Losses	(799.78)	(792.03)
Expenses allowable on the basis of payment	(145.95)	(151.75)
Deferred tax (assets) / liabilities (net)	**696.57**	**516.86**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Expenses allowable on the basis of Payment	Provision for expected credit losses	Deferred tax on transaction cost	MAT Credit entitlement	Carry forwarded Losses
As at April 01, 2020	1,766.69	(135.06)	0.56	(29.65)	(193.71)	(477.34)
Charged/(credited)						
- to profit or loss	148.27	10.83	(425.09)	-	193.57	(314.69)
- to other comprehensive income	-	(27.52)	-	-	-	-
As at March 31, 2021	**1,914.96**	**(151.75)**	**(424.53)**	**(29.65)**	**(0.14)**	**(792.03)**
Charged / (credited)						
- to profit or loss	123.76	28.92	52.38	5.38	0.14	(7.75)
- to other comprehensive income	-	(23.12)	-	-	-	-
As at March 31, 2022	**2,038.72**	**(145.95)**	**(372.15)**	**(24.27)**	**-**	**(799.78)**

Note 19: Other Liabilities

i) non-current

	As at March 31, 2022	As at March 31, 2021
Deferred revenue arising from government grant	-	3.12
Total other non-current liabilities	**-**	**3.12**

ii) Current

Statutory taxes payable	68.35	67.67
Advance from customers	754.77	372.02
Advance against sale of plant and equipment	-	185.00
Total other current liabilities	**823.12**	**624.69**

Note 20: Current tax liabilities (net)

Provision for interest on income tax	8.85	12.90
Total current tax liabilities (net)	**8.85**	**12.90**

	For the year ended March 31, 2022	For the year ended March 31, 2021

Note 21: Revenue from operations

Revenue from contracts with customers		
- Sale of products	17468.91	12,566.56
- Sale of traded goods	166.09	317.86
- Sale of services	2226.35	2,372.76
	19861.35	**15,257.18**
Other operating revenue	51.42	106.26
Total revenue from operations	**19912.77**	**15,363.44**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021

Disaggregation of revenue from contracts with customers

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

Geographical location		
- India	17,192.63	13,457.78
- Other countries	2,720.14	1,905.66
Total	**19,912.77**	**15,363.44**

Information about major customers:

Two customers represents 10% or more of the Group's total revenue during the year ended March 31, 2022 and One customer represents 10% or more of the Groups' total revenue during the year ended March 31, 2021.

Contract Price Reconciliation

Contract Price	20,148.91	15,666.72
Less: Variable consideration	236.14	303.28
	19,912.77	**15,363.44**

Note 22: Other income

Interest income from financial assets at amortised cost	49.02	40.47
Profit on disposal of Property, Plant & Equipment	86.87	0.89
Net gain on foreign currency transactions and translations	73.56	34.80
Deferred government grant income	3.12	0.91
Excess liabilities written back	1.18	1.12
Expected credit loss provision no longer required written back (net)	20.85	-
Credit balances written back	24.81	-
Other non-operating income	22.36	15.27
Total other income	**281.77**	**93.46**

Note 23: Cost of raw materials consumed

Raw materials at the beginning of the year	1313.64	1,725.46
Add: Purchases	9541.39	6,574.91
Less: Raw materials at the end of the year	1480.72	1,313.64
Total cost of raw materials consumed	**9374.31**	**6,986.73**

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

Opening Balance:		
Finished goods	1154.01	352.72
Work-in-progress	611.72	1,463.25
Scrap	4.56	5.57
	1770.29	**1,821.54**
Closing Balance:		
Finished goods	353.34	1,154.01
Work-in-progress	1229.20	611.72
Scrap	2.49	4.56
	1585.03	**1,770.29**
Total changes in inventories of finished goods, work-in-progress and scrap	**185.26**	**51.25**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Note 25: Employee benefits expense		
Salaries, wages, bonus and other allowances	4204.83	4,312.64
Contribution to provident fund and other funds	218.74	289.16
Contribution to ESI	12.94	13.17
Staff welfare expenses	208.35	150.06
Total employee benefits expense	**4644.86**	**4,765.03**

Note 25(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to Provident Fund	190.03	204.68
Employer's contribution to ESI	12.94	13.20

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity (Funded)

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

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation at beginning of the year	1,097.53	1,178.68
Current service cost	16.40	72.47
Interest cost	17.06	68.47
Actuarial (gain) / loss	119.70	100.54
Benefits paid	(140.19)	(322.63)
Defined benefit obligation at year end	1,110.50	1,097.53

(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
B)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of year	718.79	981.27
	Expected return on plan assets	10.77	55.35
	Actuarial (gain) / loss	36.60	1.62
	Employer's contribution	-	4.99
	Benefits paid	(140.18)	(322.63)
	Others contributions	-	(2.26)
	Adjustments to opening balances	-	0.45
	Fair value of plan assets at year end	625.98	718.79
C)	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets	625.98	718.79
	Present value of obligation	1,110.50	1,097.53
	Amount recognised in balance sheet, surplus/(deficit)	**(484.52)**	**(378.74)**

D) Expenses recognised during the year

	For the year ended March 31, 2022	For the year ended March 31, 2021
In income statement		
Current service cost	16.40	72.47
Interest cost	17.06	68.47
Return on plan assets	(10.77)	(55.35)
Net cost	**22.69**	**85.59**
In other comprehensive income		
Actuarial (gain) / loss	(83.10)	(98.92)
Net (income) / expense for the year recognised in OCI	**105.79**	**184.51**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2022	As at March 31, 2021
Discount rate	7.29%	6.81%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	55/58- Years	55/58- Years
Average balance future services	14.87	14.99
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:

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	1,110.50	1,097.53
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	1,041.37	1,021.34
Decrease: -1%	1,187.79	1,183.35
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,195.95	1,191.31
Decrease: -1%	1,032.98	1,013.16
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,124.48	1,111.33
Decrease: -1%	1,095.11	1,082.30

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The weighted average duration of the defined benefit obligation is 7.62 years (March 31, 2021:10.52 years). The expected cash flows over the years is as follows:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation - gratuity		
Less than a year	110.39	81.53
Between 2-5 years	379.06	335.59
Over 6 years	760.89	739.17

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.

Note 26: Finance costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest and finance charges on financial liabilities carried at amortised cost	559.51	497.26
Other borrowing costs	166.16	207.70
Total Finance costs	**725.67**	**704.96**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	859.94	558.65
Depreciation of right-of-use assets	0.81	0.81
Amortisation of intangible assets	89.65	67.84
Total depreciation and amortisation expense	**950.40**	**627.30**

Note 28: Research and development expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials consumed	8.16	7.81
Salaries, wages, bonus and other allowances	51.22	59.46
Contribution to provident and other funds	1.53	1.91
Contribution to ESI	0.00	0.03
Total Research and development expenses	**60.91**	**69.21**

Note 29: Other expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	40.73	27.38
Consumption of packing materials	352.52	255.12
Power and fuel	260.70	149.53
Repairs and maintenance		
- Plant and machinery	434.73	277.58
- Buildings	9.12	16.59
- Others	139.59	88.62
Insurance	155.56	160.83
Rent	15.83	148.17
Rates and taxes, excluding taxes on income	87.84	49.26
Legal and professional charges	89.21	79.42
Directors sitting fees	12.80	7.60
Travelling and conveyance	206.62	183.03
Sales commission	97.97	60.45
Carriage outward	561.06	312.49
Other selling expenses	200.47	73.93
Payments to auditors (refer note 29 (a)below)	26.02	24.40
Book deficit on assets discarded	105.23	-
Deposits recoverable written off	1.78	-
Bad debts written off*	210.93	283.70
Expected credit loss	-	60.00
Donations	13.90	0.70
Corporate social responsibility expenditure (refer note 29 (b)below)	11.86	15.68
Security charges	117.15	86.97

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Testing fees	38.47	25.64
General expenses	198.79	149.13
Total other expenses	**3388.80**	**2,536.22**

* Mainly on account of Late delivery charges of ₹ 62.32 Lakhs (2020-21 ₹ 19.15 Lakhs), Powder Factor deduction of ₹ 29.90 Lakhs (2020-21 : 252.37 lakhs /-) and other deductions of ₹ 118.71 Lakhs (2020-21 : ₹ 9.10 Lakhs)

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to auditors		
As auditors		
As statutory auditor	7.50	7.50
For quarterly reviews	6.75	6.75
In other capacities		
For GST Review	3.00	3.00
For certifications and other attest functions	5.70	2.40
Re-imbursement of expenses	1.20	1.26
Subsidiary Auditors		
As statutory auditor	1.87	3.49
Total payments to auditors	**26.02**	**24.40**

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent as per section 135 of the Act	-	15.67
Amount of expenditure incurred during the year on		
(i) Promoting education	0.60	0.44
(ii) Promoting healthcare	11.26	15.24
Total Amount spent during the year	11.86	15.68
Shortfall at the end of previous year	-	-
Total of Previous years short fall	-	-
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Income tax expense

This note provides an analysis of the company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	-	-
	Adjustments for current tax of prior periods	(26.21)	(31.86)
	Total current tax expense	**(26.21)**	**(31.86)**
	Deferred tax		
	Decrease/ (increase) in deferred tax assets	73.69	(535.38)
	(Decrease)/ increase in deferred tax liabilities	129.14	148.27
	Total deferred tax expense/(benefit)	**202.83**	**(387.11)**
	Income tax expense	**176.62**	**(418.97)**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit from operations before income tax expenses	**698.82**	**(1,514.70)**
	Income tax expense		
	Tax at the rate of 26% (2020-21: 26%)	181.69	(393.82)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income	20.40	19.61
	Weighted deduction on research and development	(6.58)	-
	Tax effect of expenses not allowed for tax purpose	-	(6.37)
	Tax effect of expenses relating to voluntary retirement scheme	(45.71)	(45.71)
	Tax credit on loss not considered	7.62	-
	Tax effect of items in other comprehensive income considered for income tax	23.12	27.52
	Adjustments for current tax of prior periods	(26.21)	(31.86)
	Tax effect on others	22.28	11.66
	Income tax expense	**176.62**	**(418.97)**

Note 31: Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

	Fair value hierarchy	Notes	As at March 31, 2022		As at March 31, 2021	
			Carrying Value	*Fair Value	Carrying Value	*Fair Value
A. Financial assets						
a) Measured at amortised cost						
Cash and cash equivalents	Level -3	12	49.95	49.95	92.28	92.28
Other bank balances	Level -3	13	429.87	429.87	532.07	532.07
Others	Level -3	7	35.00	35.00	-	-
Trade receivables	Level -3	11	7,155.10	7,155.10	4,579.39	4,579.39
Total financial assets			**7,669.92**	**7,669.92**	**5,203.74**	**5,203.74**
B. Financial liabilities						
a) Measured at amortised cost						
Trade payables	Level -3		2,118.31	2,118.31	1,689.63	1,689.63
Borrowings	Level -3	15	7,790.20	7,790.20	5,812.88	5,812.88
Other financial liabilities	Level -3	16	950.36	950.36	1,446.16	1,446.16
Total financial liabilities			**10,858.87**	**10,858.87**	**8,948.67**	**8,948.67**

Note:

*The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances and trade receivables are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Note 32: Financial instruments and risk management - Financial risk management

The Company's activities expose it to Credit risk, Market risk and Liquidity risk. The Company emphasis on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the Company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Particulars	As at March 31, 2022	As at March 31, 2021
Expected credit losses (ECL)		
Opening balance	545.47	485.47
Less: No longer required written back	(20.85)	-
Add: ECL Movement during the year	-	60.00
Closing balance	524.62	545.47

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk:

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- **Interest rate risk**

  Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

i) Foreign currency risk - sensitivity

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date:

	As at March 31, 2022			
	GBP (in number)	**USD (in number)**	**EURO (in number)**	**Equivalent amount in INR lakhs**
Foreign currency assets				
Trade receivable (for supplies and services)	-	363,585	175,432	423.38
Balance with banks	-	876	-	0.66
Deposits recoverable	-	1,325	-	0.89
Total	-	365,786	175,432	424.93
Foreign currency liabilities				
Payables for supplies and services	-	72,981	435,491	422.18
Current borrowings		1,144,220	1,032,702	1,737.27
Capital creditors	2,032	-	-	1.94
Total	2,032	1,217,201	1,468,193	2,161.38
Net foreign currency assets / (liabilities)	(2,032)	(851,415)	(1,292,761)	(1736.45)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers		24,142	149,252	144.84
Advance from customers	-	649,851	-	487.63

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2021			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	258,312	146,250	315.79
Balance with banks	-	48,307	-	35.51
Deposits Recoverable	-	1,325	-	0.89
Total	-	307,944	146,250	352.19
Foreign currency liabilities				
Payables for supplies and services	-	46,566	557,491	514.22
Buyers Credit	-	-	-	-
Capital Creditors	2,032	-	-	1.93
Total	2,032	46,566	557,491	514.22
Net foreign currency assets / (liabilities)	(2,032)	261,378	(411,241)	(162.03)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance from customers	-	387,664	3,000	283.65

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, 2022	For the year ended March 31, 2021
GBP	0.05	0.05
USD	(16.19)	4.81
EURO	(27.28)	(8.84)

(C) Liquidity risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The company invests its surplus funds in deposits with maturity of 3 months, which carry no/low mark to market risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	< 1 Year	1-3 Years	> 3 Years	Total
As at March 31, 2022				
non-current borrowings		508.00	-	508.00
Current borrowings	7282.20	-	-	7,282.20
Trade and other payable	2118.31	-	-	2,118.31
Other financial liabilities	941.21	9.15	-	950.36
Total financial liabilities	**10341.72**	**517.15**	**-**	**10,858.87**
As at March 31, 2021				
non-current borrowings		1,022.40	-	1,022.40
Current borrowings	4,790.48	-	-	4,790.48
Trade and other payable	1,689.63	-	-	1,689.63
Other financial liabilities	1,437.01	9.15	-	1,446.16
Total financial liabilities	**7,917.12**	**1,031.55**	**-**	**8,948.67**

(All amounts in INR lakhs, unless otherwise stated)

D) Other risk – Impact of COVID-19

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2022.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the group will continue to closely monitor any material changes to future economic conditions.

Note 33: Capital management

(a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2022	As at March 31, 2021
Net debt	7,328.33	5,210.54
Equity	19,067.80	18,605.58
Total capital (net debt + equity)	**26,396.13**	**23,816.12**
Gearing ratio (Net debt / Total capital)	**27.76%**	**21.88%**

***Net debt is as follows**

		As at March 31, 2022	As at March 31, 2021
A)	Borrowings		
	Non-current borrowings	508.00	1,022.40
	Current borrowings	7,282.20	4,790.48
Total (A)		**7,790.20**	**5,812.88**
B)	Cash and cash equivalents	49.95	92.28
	Bank balances other than cash and cash equivalents	411.92	510.06
	Total (B)	**461.87**	**602.34**
C)	**Net debt (A-B)**	**7,328.33**	**5,210.54**

(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. 60 crores including deferred tax liabilities.

* Total outside liabilities should be less than 1.25 times of the total net worth of the company

* Debt service coverage ratio should be greater than 1.50 throughout the tenor of the loan

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

Note 34: Contingent Liabilities

	As at March 31, 2022	As at March 31, 2021
On account of Letters of credit and Guarantees issued by the bankers.	4,282.21	3,089.92
Claims against the company not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
-Income tax	61.84	-

It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 35: Commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	621.48	173.64

Note 36: Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the group:

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid as at year-end	8.10	1.70
Interest due thereon as at year-end	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

Note: The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the group and has been relied upon by the auditors.

Note 36(b): Ageing of Trade Payables as at March 31, 2022

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	8.10	-	-	-	-	8.10
Others	1231.09	718.20	160.92	-	-	2,110.21
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,239.19**	**718.20**	**160.92**	**-**	**-**	**2,118.31**

Note 36(c): Ageing of Trade Payables as at March 31, 2021

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	17.20	-	-	-	-	17.20
Others	1,020.00	641.65	10.37	0.41	-	1,672.43
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**1,037.20**	**641.65**	**10.37**	**0.41**	**-**	**1,689.63**

(All amounts in INR lakhs, unless otherwise stated)

Note 37 : Segment information

(a) Description of segments and principal activities

The Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the business of "High Energy Materials "and operates in a single operating segment.

Two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2022 and One customer represents 10% or more of the Company's total revenue during the year ended March 31, 2021.

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, 2022**	**As at March 31, 2021**
India	17,192.63	13,314.64
Rest of the world	2,720.14	1,905.66
Non-current assets		
India	19,455.88	19,336.79
Rest of the world	-	-

Note 38: Interest in Joint Venture

BF Premier Energy Systems Private Limited :

The company has 50% interest in BF Premier Energy Systems Private Limited, a joint venture incorporated in India and involved in manufacturing defence products such as Bi-modular cartridges systems, ammunition of selected types, ready to use defence products such as rockets, missiles, mines, bombs, torpedoes and ammunition, etc.

a) Summarised balance sheet

	As at March 31, 2022	**As at March 31, 2021**
Interest in assets, liabilities with respect to jointly controlled entities are as follows:		
Current assets	1.02	1.45
Non-current assets	-	-
Current liabilities	(2.73)	(2.05)
Non-current liabilities	-	-
Equity	**(1.71)**	**(0.60)**
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment*	-	-

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

b) Summarised statement of profit and loss

	As at March 31, 2022	As at March 31, 2021
Income		
Other income	-	-
Expenses		
Employee benefit expenses	-	-
Depreciation	-	-
Other expenses	1.11	0.44
Total expenses	**1.11**	**0.44**
Loss before tax	1.11	0.44
Tax expenses	-	-
Loss for the year	1.11	0.44
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1.11	0.44
Group's share of loss for the year*	-	-

The Group had no contingent liabilities or capital commitments relating to its interest in BF Premier Energy Systems Ltd. as at March 31, 2022 and March 31, 2021

* Since the accumulated losses of the joint venture exceed the value of investment, the investment is shown as zero and no further losses have been allocated.

C) Going Concern Note

The Company has incurred losses of Approx. ₹ 1.11 Lakhs (31st March, 2021 : Approx. ₹ 0.44 Lakhs) during the year. As at 31st March, 2022, the Company's accumulated losses are Approx. ₹ 2. 17 Lakhs (31st March, 2021 : Approx. ₹ 2. 06 Lakhs) which have completely eroded the net worth of the Company. In view of the shareholders' continued commitment and support to the Company and considering that the amounts involved are not material, these financial statements have been prepared on going concern basis, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Note 39: The subsidiaries (which along with PEL, the parent, constitute the Group) considered in preparation of these Consolidated Financial Statements are

	Relationship	Principal activity	Ownership
Indian entities			
March 31,2022			
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised iron wire	80%
PELNEXT Defense Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%
BF Premier Energy Systems Private Limited	Joint venture	Manufacture of defence products	50%

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 40: Related Party Transactions

(a)	**Enterprises where control exists**	
	Wholly owned Subsidiary Companies	PELNEXT Defense Systems Private Limited
	Subsidiaries	Premier Wire Products Limited
	Joint Venture	BF Premier Energy Systems Private Limited
(b)	**Key Management Personnel (KMP)**	Dr. A.N.Gupta (Chairman (w.e.f. 14.02.2022), Managing Director till 13.02.2022))
		Mr. T.V.Chowdary Managing Director (w.e.f. 14.02.2022), Deputy Managing Director till 13.02.2022)
		Mr. Y. Durga Prasad Rao , Whole time Director
		Dr. (Mrs.) Kailash Gupta, Non Executive Director
		Mr.Anil Kumar Mehta, Independent Director
		Mr.P.R. Tripathi, Independent Director
		Mr.K.Rama Rao , Independent Director
		Dr. A. Venkat Raman, Independent Director
		Mrs. Shonika Prasad (w.e.f 07.01.2022)
		Lt. Gen P.R. Kumar, Independent Director
(c)	**Relatives of key management personnel**	Dr.(Mrs.) Kailash Gupta
		Mrs. T.Malati
(d)	**Concerns in which key management personnel have substantial interest (significant interest entities):**	A.N.Gupta(HUF)
		Vedik Divya Jyothi Gurukul Trust

(e) Transactions with related parties

	Amount of transaction	Amount Receivable/ (Payable)	Amount of transaction	Amount Receivable/ (Payable)
	For the year ended March 31, 2022	As at March 31, 2022	For the year ended March 31, 2021	As at March 31, 2021
Key Management Personnel				
Short term employee benefits				
Managerial remuneration	400.20	(28.46)	358.21	(20.82)
Others				
Acceptance of unsecured loan	-	(744.14)	31.00	(744.14)
Repayment of unsecured loan	22.00		-	
Interest paid	69.52		79.39	
Sitting fees	12.80			
Professional Charges	3.10		7.60	

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Information regarding significant transactions

Nature of transaction / related party	As at March 31, 2022	As at March 31, 2021
Acceptance of unsecured loans		
Dr. A.N.Gupta	-	25.00
Interest paid		
Dr. A.N.Gupta	56.42	62.75
Dr. Kailash Gupta	13.10	16.64
Managerial remuneration paid*		
Dr. A.N.Gupta	271.91	250.96
Mr. T.V. Chowdary	85.16	71.44
Mr. Y. Durga Prasad Rao	43.13	35.81
Repayment of unsecured loans		
Dr. A.N.Gupta	8.00	-
Dr. Kailash Gupta	14.00	-
Professional Fess		
Dr. A.N.Gupta	3.00	-
Sitting fees		
Dr. A.N.Gupta	0.20	-
Dr. Kailash Gupta	1.80	1.30
Mr. Anil Kumar Mehta	2.90	1.80
Mr. P.R. Tripathi	2.30	1.70
Mr. K. Rama Rao	2.60	1.20
Dr.A.Venkataraman	1.40	0.80
Mr.P.R.Kumar	1.40	0.80
Mrs. Shonika Prasad	0.20	-
Purchase of Property, plant and equipment		
Vedik Divya Jyothi Gurukul Trust	345.00	-

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

(i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

(ii) The loans accepted from key managerial personnel carries interest rate of 10- 11% per annum.

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

Note No 41: Donation to political parties

	For the year ended March 31, 2022	For the year ended March 31, 2021
Communist party of India (Marxist Leninist)	1.80	0.25
	1.80	**0.25**

(All amounts in INR lakhs, unless otherwise stated)

Note 42: Earnings /(Loss) per share (EPS)

		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	**Basic and Diluted EPS**		
	Earnings /(Loss) per share attributable to the equity holders of the company	4.93	(10.15)
(b)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic and Diluted earnings per share		
	Profit /(Loss) attributable to the equity holders of the company used in calculating earnings per share	530.01	(1,091.64)
(c)	**Weighted average number of shares used as the denominator**		
	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10,752,239	10,752,239
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	10,752,239	10,752,239

Note 43 : Assets pledged as security

The carrying amounts of Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	7,524.03	5,097.09
Non financial assets	4,850.02	4,877.50
Collateral security		
non-current assets		
Non financial assets	17,580.67	17,446.82
Towards current borrowings	**29,954.72**	**27,421.41**
non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets		
Financial assets	17,580.67	17,446.82
Current assets		
Financial assets	7,520.40	5,094.71
Non financial assets	4,850.02	4,877.50
Towards non-current borrowings	**29,951.09**	**27,419.03**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 44: Additional information required by Schedule III

	Premier Explosive limited	Premier Wire Products Private Limited	PELNEXT Defense Systems Private Limited	BF Premier Energy Systems Private Limited	Non controlling interest	Inter-company transactions/ balances
Net assets (total assets minus total liabilities)						
Amount	19002.94	479.37	(3.13)	-	119.62	(531.00)
As % of consolidated net assets	100%	3%	0%	0%	1%	-3%
Share in profit or (loss)						
Amount	562.01	(31.15)	(0.85)	-	(7.81)	-
As % of consolidated net assets	108%	-6%	0%	0%	-1%	0%
Share in other comprehensive income						
Amount	(59.98)	0.00	0.00	-	-	-
As % of consolidated net assets	100%	0%	0%	0%	0%	0%
Share in total comprehensive income						
Amount	502.03	(31.15)	(0.85)	-	(7.81)	-
As % of consolidated net assets	107%	-7%	0%	0%	-2%	0%

Note 45: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.12	1.15	-3%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.41	0.31	31%
c) Debt service coverage ratio (in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principle payments	2.30	0.41	462%
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	3%	-6%	8%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	4.69	3.19	47%
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	3.39	3.28	3%
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	5.01	3.67	36%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	14.66	11.55	27%
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	2.62%	-7.13%	9.75%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	4.15%	0.02%	4.13%

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Reasons for Variance:

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

Debt Service Coverage Ratio: Change on account of increase in Earnings available debt Service during the year

Inventory Turnover Ratio: Change is on account of increase in revenue from operations during the year.

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

Net Capital Turnover Ratio : Change on account of increase in Revenue and decrease in working capital.

Note 46 : Material Uncertainty related to Going Concern (Premier Wire Products Limited)

During the year the subsidiary company has incurred loss before tax of ₹ 30.17 lakhs, the subsidiary company has accumulated loss of ₹ 228.45 before considering Revaluation reserve of ₹ 175.94 lakhs as at 31st March, 2022 and sold major property, plant and equipment, dismantled building, terminated all the employees and intimated closure of factory to various authorities during the year. However, the accounts of the subsidiary company for the year ended 31st March, 2022 have been prepared on the Going Concern basis. The auditors of the subsidiary company in their Audit Report for the year included this matter under "Material Uncertainty related to Going Concern".

Note 47 : Material Uncertainty related to Going Concern (Pelnext Defence Systems Private Limited)

During the year the subsidiary company incurred loss before tax of ₹ 0.85 lakhs and the subsidiary company had negative other equity of ₹ 4.12 lakhs as at 31st March, 2022. Further, owing to negative other equity as at 31st March, 2022 the subsidiary company's net worth is errored completely and the current liabilities exceeded its current assets by ₹ 3.12 lakhs as at 31st March, 2022. These events cast significant doubt on the Company's ability to continue as going concern. However, the accounts of the subsidiary company for the year ended 31st March, 2022 have been prepared on the Going Concern basis.

Note 48 : Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting :

Utilisation of funds	As at March 31, 2022	As at March 31, 2021
On Equity Shares of ₹ 10/- each		
Proposed dividend*	161.28	-
Proposed dividend per equity share in Rupees	1.50	-

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

Note 49: 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

P. Srihari
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kowshik Anna
Partner
Membership number: 244172

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 26, 2022

Notice of the 42nd Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting of the Members of Premier Explosives Limited (the Company) will be held on Friday, the 16th day of September, 2022 at 11.30 a.m. through Video Conferencing facility (VC) / other Audio Visual Means (OAVM), to transact the following business:

The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

Ordinary business

1. To receive, consider and adopt:

    a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022 together with the Reports of Auditors thereon.

2. To declare a dividend for the financial year ended March 31, 2022.

3. To appoint a director in place of Dr. (Mrs.) Kailash Gupta (DIN: 00054045), who retires by rotation as a Director and being eligible offers herself for re-appointment.

4. To reappoint the statutory auditors for the second term of Five years

    "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Majeti & Co., Chartered Accountants, (Firm Registration No. 015975S), Hyderabad, be and are hereby reappointed as the Statutory Auditors of the Company to hold office for a second term of five consecutive financial years, from the conclusion of this 42nd Annual General Meeting till the conclusion of the 47th Annual General Meeting at such remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditors."

Special Business

5. **Appointment /continuation of Directorship of Dr.(Mrs.) Kailash Gupta as Non-Executive Non-Independent Director:**

    To consider and if thought fit, to pass, the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification(s) or re-enactments thereof, from time to time), approval be and is hereby accorded for appointment/ continuation of the directorship of Dr.(Mrs.) Kailash Gupta (DIN:00054045) who has crossed the age of 75 years as Non-Executive Non-Independent Director of the Company.

6. **Re-Appointment of Mr. Y. Durga Prasada Rao (DIN: 08072805) as Wholetime Director**

    To consider and if thought fit, to pass, the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is, hereby accorded for the re- appointment of Mr. Y. Durga Prasada Rao (holding DIN: 08072805), as a Wholetime director designated as Director-Operations of the Company for a period of 5 (five) years effective from 10th August, 2022 to 9th August, 2027, at such remuneration as given below:

    A. Salary:

        a. He will be entitled to a basic salary of Rs. 2,64,000/- (Rupees Two Lakhs Sixty Four Thousand only) per month for a period of three (03) years 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 annual 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. 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 Miscellanous 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 Director (Operations) 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 @ 0.5% of the Net Profits of the company calculated in accordance with Section 198 of the Companies Act, 2013, every year.

RESOLVED FURTHER THAT the Board of Directors on the recommendation of the Nomination and Remuneration Committee be and is hereby authorized 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), and as may be agreed to by the Board and Mr. Y. Durga Prasada Rao.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or the Company Secretary, be and are hereby severally authorized 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."

7. Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, read with Schedule V of the Act and Regulation 17 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and upon the recommendation of the Nomination and Remuneration Committee and the Board, the remuneration and benefits payable to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director of the Company, for the year commencing from 1st April, 2023 to 31st March, 2024 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 to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

8. Ratification of remuneration payable to the Cost Auditors

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment(s) 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 ending March 31, 2023, amounting to Rs. 1,30,000/- per annum (Rupees one lakh thirty thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the cost audit, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: 03/08/2022

K. Jhansi Laxmi
Company Secretary
MNo: A16577

Registered Office:
'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana– 500015.
Ph: 040-6614 6801 to 05, Fax:040-661406839
CIN:L24110TG1980PLC002633
Email: investors@pelgel.com
Website:www.pelgel.com

Notice of the 42nd Annual General Meeting

NOTES:

1. The Statement as required under Section 102 of the Companies Act, 2013 (the Act) is annexed hereto to the Notice.

2. Pursuant to General Circular No. 14/2020 dated April 8, 2020; General Circular No. 17/2020 dated April 13, 2020; General Circular No. 20/2020 dated May 5, 2020; General Circular No. 02/2021 dated January 13, 2021; General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/ CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020; SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020; SEBI/HO/ CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/ CFD/CMD2/CIR/P/2022/62 DATED May 13, 2022 issued by the Securities and Exchange Board of India (SEBI Circulars), the 42nd Annual General Meeting of the members of the Company is being convened and conducted through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. The deemed venue for the 42nd AGM shall be the Registered Office of the Company – 'PREMIER HOUSE', # 11, Ishaq Colony, Near AOC Centre, Secunderabad - 500015.

3. **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. However, since this AGM is being held through VC/OAVM as per MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 42nd AGM and hence, the Proxy Form and Attendance Slip including route map are not annexed to this Notice.**

4. In compliance with the above referred MCA Circulars and SEBI Circulars, the Notice of the 42nd AGM along with the Annual Report for the financial year 2021-22 (Annual Report) is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website at www.pelgel.com, websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited at https://evoting.kfintech.com. For any communication, the members may also send a request to the Company's investor email ID: investors@pelgel.com. The company will not be despatching physical copies of the Annual Report for the financial year 2021-22 and the notice of the AGM to any member.

5. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. The Company has enabled the Members to participate at the 42nd 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 42nd AGM through the VC/OAVM and e-voting during the AGM ("Insta Poll"). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis.

7. Members shall have the option to vote electronically (e-voting) either before the AGM (remote e-voting) or during the AGM. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Adminsitration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings (SS-2), Regulation 44 of the SEBI (LODR) Regulations, 2015 and MCA Circulars, the Company has provided the facility to its Members to exercise their votes electronically through electronic voting (i.e.,e-voting) before the AGM ('remote e-voting) and e-voting during the AGM, in respect of the business to be transacted at the AGM, through KFin Technologies Limited (KFintech) Registrar and Transfer Agents of the company. The detailed instructions for e-voting are given in this Notice. Necessary arrangements have been made by the Company with KFintech to facilitate electronic voting process.

8. Members of the Company under the category Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Institutional / Corporate Members (i.e., other than individuals/ HUF, NRI etc) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, are required to send a scanned copy (PDF/JPEG format) of its Board or governing body Resolution/ Authorization etc, authorising its representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or e-voting at the AGM. The said Resolution/ Authorisation shall be sent to the Scrutinizer by email through its registered e-mail address to kvcr133@ gmail.com with a copy marked to evoting@kfintech.com and to the company at investors@pelgel.com.

9. 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.

10. Members holding shares either in physical or dematerialized form, whose name is recorded in the Register of Members/ Beneficial Owners list maintained by the depositories as on

the cut-off date i.e., Friday, 09 September, 2022 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.

11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cut-off date i.e. Friday, 09 September, 2022 (cut-off date).

12. The remote e-voting period will commence at 9:00 A.M.(IST) on Monday, September 12, 2022 and will end at 5.00 P.M.(IST) on Thursday, September 15, 2022

13. Members attending the AGM through VC/OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all the businesses specified in the Notice. Members who have cast their votes by remote e-voting prior to the AGM, may participate in the AGM through VC/OAVM but shall not be entitled to cast their votes again during the AGM. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice.

14. Any person who becomes a Member of the Company after sending the Annual Report and holding shares as on Friday, September 09, 2022 shall also follow the procedure stated herein. A person who is not a Member as on 09.09.2022 should treat this Notice for information purposes only.

15. 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.

16. Book Closure and Dividend

    i. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 10, 2022 to Friday, September 16, 2022 (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, 2022, if approved at the AGM.

    ii. The dividend of Rs. 1.50/- per equity share of Rs. 10/- each (15%), as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of tax at source (TDS), as applicable, within 30 days from the date of declaration as under:

        (a) To all the Beneficial Owners as at the end of the day on Friday, September 09, 2022, 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 Friday, September 09, 2022.

        Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means due to non-registration of the Electronic Bank Mandate, the Company will dispatch the dividend warrant / bankers' cheque / demand draft to such Members, subject to availability of postal services and/or courier services.

    iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income is 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/. On or before September 05, 2022. 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 or before September, 05, 2022 on the link https"//ris.kfintech.com/form15/. No communication would be accepted from Members after September 05, 2022 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.

17. The relevant details required to be given under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is annexed

Notice of the 42nd Annual General Meeting

18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all the documents referred to in the Notice will be available electronically for inspection by the Members from the date of dispatch of Notice upto the date of AGM. Members seeking to inspect such documents can send their requests to the Company at investors@pelgel.com.

19. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialize their shares held by them in physical form. The ISIN in respect of the equity shares is INE863B01011.

20. 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.

    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), mandates, nominations, power of attorney, bank 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 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.

21. 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.

22. Members who have multiple folios in the identical names or joint names in the same order are requested to intimate the Registrar and Transfer Agents, KFintech about these folios to enable consolidation of all such shareholdings into one folio.

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. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Friday, September 16, 2022. Members seeking to inspect such documents are requested to write to the Company at investors@pelgel.com.

25. 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.

26. Unclaimed Dividend: Members who wish to claim the unclaimed dividends of the past years, are requested to correspond with M/s. Kfin Technologies Limited, RTA, for encashing the unclaimed dividends standing to the credit of their account. Pursuant to the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, all unclaimed / unpaid dividends for a period of seven consecutive years from the date they become due for payment are required to be transferred to the Investor Education and Protection Fund ('IEPF'). The Shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the unclaimed dividends within the stipulated timeline.

27. Members are requested to support the 'Green Initiative', by registering / updating their e-mail addresses, with the Depository Participant in case the shares are held in electronic form and with Company's Registrars and Transfer Agents, KFintech, in case the shares are held in physical form.

28. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long time Periodic statement of holdings should be obtained from the concerned DPs and holding should be verified from time to time.

29. **PROCEDURE AND INSTRUCTIONS FOR REMOTE 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 (LODR) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to those members holding shares as on September 09, 2022 (end of day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll. KFin Technologies Limited will be facilitating e-voting services to enable the Members to cast their votes electronically.

    ii. The instructions for e-voting are given herein below.

    iii. 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.

iv. 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.

v. The remote e-Voting facility will be available during the following period

Commencement of remote e-voting: From 9.00 A.M. (IST) on Monday, September 12, 2022

End of remote e-voting: At 5.00 P.M. (IST) on Thursday, September 15, 2022.

During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, September 09, 2022, 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.

vi. 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.

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 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:

Notice of the 42nd Annual General Meeting

I) Login method for remote e-Voting for Individual shareholders holding securities in dematerialized form.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL</td><td>
1. User already registered for IDeAS facility:
I. Visit URL: https://eservices.nsdl.com
II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"
IV. Click on company name or e-Voting service provider and you will be re- directed to e-Voting service provider website for casting the vote during the remote e-Voting period.
2. User not registered for IDeAS e-Services
I. To register click on link : https:// eservices.nsdl.com
II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
III. Proceed with completing the required fields.
IV. Follow steps given in points 1.
3. Alternatively by directly accessing the e-Voting website of NSDL
I. Open URL : https:// www.evoting.nsdl.com/
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.
III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.
V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
</td></tr>
<tr><td>Individual Shareholders holding securities in demat mode with CDSL</td><td>
1. Existing user who have opted for Easi/Easiest
I. Visit URL: https://web.cdslindia.com/ myeasi/home/login or URL: www.cdslindia.com
II. Click on New System Myeasi
III. Login with your registered user id and password.
IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.
V. Click on e-Voting service provider name to cast your vote.
2. User not registered for Easi/Easiest
I. Option to register is available at https:// web.cdslindia.com/myeasi/Registration/ EasiRegistration
II. Proceed with completing the required fields.
III. Follow the steps given in point 1
3. Alternatively, by directly accessing the e-Voting website of CDSL
I. Visit URL: www.cdslindia.com
II. Provide your demat Account Number and PAN No.
III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.
</td></tr>
<tr><td>Individual Shareholder login through their demat accounts/ Website of Depository Participant</td><td>
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
</td></tr>
</table>

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 "EVEN" 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

Notice of the 42nd Annual General Meeting

to appoint their authorised representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to cast its vote through remote e-voting/e-voting at the AGM, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kvcr133@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even 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.

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 may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

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. Facility for joining AGM though VC/OAVM shall open 15 minutes before the scheduled time of commencement of AGM and shall be closed after the expiry of 15 minutes after such schedule time. The detailed instructions for participation by Members at the 42nd AGM through VC/OAVM forms part of the Notes to this Notice.

ii. Members may note that the facility of joining/participation at the AGM through VC/OAVM shall be available for at least 1000 Members on a first-come-first-served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc, are not restricted on first-come-first-served basis. Members who need technical assistance before or during the AGM, can contact KFintech at https://evoting.kfintech.com/

iii. Members will be able to attend the AGM through VC/OAVM platform provided by KFintech at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the 'EVEN' for the Company's AGM. Members, who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice.

Further, Members can also use the OTP based login for logging into the e-voting system.

iv. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.

v. 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.

vi. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members desiring any additional information with regard to accounts/Annual Reports or has any question / queries are requested to write mentioning their name, demat account number/ folio number, email id, mobile number, to the Company Secretary on Company's investor email-id at investors@pelgel.com atleast 7 days before the date of the e-AGM so as to enable the Management to keep the information ready/responded during the AGM.

vii. The e-voting window shall be activated upon declaration by the Chairman about the commencement of e-voting at e-AGM.

viii. E-voting during the AGM is integrated with the VC/ OAVM platform and no separate login is required for the same. The Members may click on the voting icon displayed on the screen to cast their votes.

ix. Members/shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM.

x. Members who have voted through remote e-voting will be eligible to attendant the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

xi. 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.

OTHER INSTRUCTIONS

I. **Speaker Registration :** The Members who would like to express their views or ask questions during the AGM will have to register themselves as speakers for the AGM by visiting the URL 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 12, 2022 to 5.00 P.M. (IST) on September 15, 2022. Members shall be provided a 'queue number' before the meeting. Only those members who registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of speakers and time for each speaker, depending upon the availability of time for the AGM.

II. **Post your Queries :** Alternatively, Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings. kfintech.com. Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Queries' option and post their queries/views/ questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number.

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 Friday, September 09, 2022, 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.

Notice of the 42nd Annual General Meeting

VI OTHER INFORMATION:

i. The Board of Directors have appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (Membership No.: F9268), as scrutinizer, to scrutinize the e-voting process i.e., remote e-voting and e-voting during the AGM (Insta Poll), in a fair and transparent manner.

ii. The Scrutinizer shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairman of the Company or any person authorized in that respect and the result of voting will be announced within two working days from the conclusion of the AGM of the company.

iii. The results of the e-voting declared along with the Scrutinizer's report shall be placed on the Companies website at www.pelgel.com and on the website of KFintech at https://evoting.kfintech.com. The Company shall simultaneously communicate the results to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

iv. The resolutions proposed in the Notice shall be deemed to have been passed at the AGM of the Company, subject to obtaining requisite votes thereto.

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: August 3, 2022

K. Jhansi Laxmi
Company Secretary
MNo: A16577

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY/SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

To reappoint the statutory auditors for the second term of Five Years

Though not mandatory, this statement is provided for reference.

The Members at the 37th Annual General Meeting of the Company held on September 27, 2017 had approved the appointment of M/s. Majeti & Co., Chartered Accountants (Firm Registration No. 015975S) as statutory auditors of the Company to hold office for a period of five years from the conclusion of the said Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company to be held in 2022. The term of M/s. Majeti & Co., will be expiring at the conclusion of the ensuing 42nd Annual General Meeting of the Company and are eligible for re-appointment for a further period of 5 years.

Based on the recommendation of the Audit Committee and the Board of Directors, it is hereby proposed for re-appointment of M/s. Majeti & Co., Chartered Accountants, Hyderabad (Firm Registration No. 015975S) as statutory auditors of the Company, for a second term of five consecutive years, who shall hold office from the conclusion of this 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting of the Company. The remuneration proposed to be paid to the statutory auditors during their second term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed between the Board of Directors and the Statutory Auditors.

M/s. Majeti & Co., Chartered Accountatns, Hyderabad have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013 read with the Rules made thereunder.

None of the Directors/Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at item no. 4 of the Notice.

The Board recommends the Ordinary Resolution set forth in item No. 4 of the notice for approval of the members.

Item No. 5

Appointment / Continuation of Directorship of Dr.(Mrs.) Kailash Gupta as Non-Executive Non-Independent Director:

Dr. (Mrs.) Kailash Gupta, aged 76 years, was appointed as Director (promoter) of the Company on 27th May, 1999 under the provisions of the Companies Act, 1956. She is a Non-Executive Non-Independent Woman Director on the Board of the Company. In accordance with Regulation 17(1A) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, continuation of the directorship of Dr. (Mrs.) Kailash Gupta, who has attained the age of 75 years on 30.01.2021, as Non-Executive Director of the Company, was approved by the members by way of special resolution through Postal Ballot on June 26, 2021.

Dr. (Mrs.) Kailash Gupta is a Doctor by profession, and has rich experience in the Industry. As a member of the Corporate Social Responsibility Committee, she is actively involved in promoting community healthcare and philanthropic activities. Considering the qualification, rich experience, knowledge, expertise and continued valuable guidance, the Board of Directors considers to appoint Dr.(Mrs.) Kailash Gupta, who retires by rotation and continue her association for the immense benefit of the Company.

As per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the shareholders is also required by way of special resolution for appointment/continuation of the directorship of any non-executive Director who have attained the age of 75 years.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the appointment and continuation of directorship of Dr.(Mrs.) Kailash Gupta as Non-Executive Non-Independent Director of the Company, who is liable to retire by rotation at this 42nd Annual General Meeting and offers herself for appointment under item no. 2. Further, in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Special Resolution is proposed for approval of the shareholders for appointment/continuation of the directorship of Dr.(Mrs.) Kailash Gupta (DIN:00054045), who has crossed the age of 75 years under item no. 5 of the Notice.

Details pursuant to 36(3) of the Listing Regulations, and the Secretarial Standard on General Meetings including brief profile of Dr.(Mrs.) Kailash Gupta are annexed to this Notice.

Dr. (Mrs.) Kailash Gupta is a promoter Director of the company and holds 11,67,467 equity shares in the company. Dr. Amarnath Gupta, Non-Executive Chairman is her spouse and Mrs. Shonika Prasad, Non-Executive Director, is her Daughter.

Except Dr.(Mrs.) Kailash Gupta, Dr. Amarnath Gupta and Mrs. Shonika Prasad and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the passing of the proposed Special Resolution set forth in Item No.5 for approval of the Members of the Company.

Notice of the 42nd Annual General Meeting

Item No. 6

Re-appointment of Mr. Y. Durga Prasada Rao (DIN: 08072805) as Director-Operations:

The Members of the Company at the 39th Annual General Meeting held on September 25, 2019 approved the appointment of Mr. Y. Durga Prasada Rao as Wholetime Director designated as Director-Operations on the Board of the Company for a period of three years w.e.f. 10th August, 2019.

Based on the performance evaluation and as per 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 its meeting held on August 03, 2022 approved the re-appointment of Mr. Y. Durga Prasada Rao as Director Operations for a period of five years, commencing from 10th August, 2022 upto 9th August, 2027, subject to approval of members of the Company by way of a special resolution.

Looking to his vast experience and expertise, it will be in the interest of the company that MR.Y. Durga Prasada Rao is re-appointed as Director (Operations of the Company and your Board of Directors recommend the passing of the proposed Special Resolution set for the in Item NO. 6 for approval of the members.

Details pursuant to Regulation 36(3) of the Listing Regulations, and the Secretarial Standard on General Meetings including brief profile of Mr. Y. Durga Prasada Rao are annexed to this Notice.

Except the Director who is being appointed, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding in the Company.

Item No.7

Payment of remuneration to Dr. Amarnath Gupta, Chairman and Non-Executive Director

Dr. Amarnath Gupta, aged 77 years, is the founder promoter, Non-Executive Chairman of the Company having over 47 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. 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.

Dr. Amarnath Gupta has relinquished his role as Managing Director on completion of his term on February 13, 2022 and continued to guide the Company and mentoring the leadership team by acting as Non-Executive Director and Chairman of the Board of Directors of the Company.

Accordingly, the Board of Directors of the Company at its meeting held on January 07, 2022, considered Dr. Amarnath Gupta's request and approved the change in his role and designation from Managing Director to Non-Executive Chairman of the Board of Directors of the Company with effect from February 14, 2022 as per the recommendation of the Nomination and Remuneration Committee and his re-designation / continuation for having crossed 75 years of age, was approved by the Members through Postal Ballot on February 12, 2022. The Board at its meeting held on August 03, 2022, as per the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members, has approved payment of remuneration of Rs. 24,00,000/- per annum and commission at the rate of 1% of Net Profits of the Company from April 01, 2023 to 31st March, 2024 for guiding the company and mentoring the leadership team.

In terms of amended provisions of Section 197 of the Companies Act 2013 and Regulation 17(6)(a) of SEBI Listing Regulations, the Company is required to obtain the approval of shareholders in general meeting by way of Ordinary/Special Resolution, for payment of remuneration & commission to Non-Executive Directors.

Further, in terms of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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 exceeds the limit of 50% of that payable to all the Non-Executive Directors, giving details of the remuneration thereof. Dr. Amarnath Gupta is the only Non-Executive Director and Chairman of the Board, who is being paid remuneration.

Hence, taking into consideration the requirements of the Act/Listing Regulations, the approval of the Members of the Company by way of special resolution is sought for payment of remuneration and commission for the period from April 01, 2022 to March 31, 2023.

Details pursuant to Regulation 36(3) of the Listing Regulations, and the Secretarial Standard on General Meetings, including a brief profile of Dr. Amarnath Gupta is annexed to this Notice.

Dr. Amarnath Gupta is the founder promoter of the Company and holds 26,20,183 equity shares in the Company. Dr.(Mrs.) Kailash Gupta, Non-Executive Director is his spouse and Mrs. Shonika Prasad, Non-Executive Director, is his Daughter.

Except Dr. Amarnath Gupta, Dr.(Mrs.) Kailash Gupta and Mrs. Shonika Prasad and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the Special Resolution as set out in item no. 7 of the Notice for approval of the members.

Item No.8

Ratification of remuneration payable to the Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. As per the said Rules, remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration 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 maintained by the Company for the financial year ending 31st March, 2023, at a remuneration of Rs. 1,30,000/- (Rupees one lakh thirty thousand only) plus applicable taxes and out of pocket expenses.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of this Notice for the approval of the Members

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: August 3, 2022

K. Jhansi Laxmi
Company Secretary
MNo: A16577

Registered Office:
'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana– 500015.
Ph: 040-6614 6801 to 05, Fax:040-661406839
CIN:L24110TG1980PLC002633
Email: investors@pelgel.com
Website:www.pelgel.com

Notice of the 42nd Annual General Meeting

Statement common to Item nos. 6 and 7

Additional information in terms of item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013 is furnished below:

I. General Information

1	Nature of Industry	Manufacture of high energy materials and allied products for the defence, space, mining and infrastructure industries. The company has been developing and manufacturing solid propellants for rockets like Pinaka, tactical missiles like Astra, Akash, LRSAM / MRSAM / QRSAM, Brahmos etc., strategic missiles like Agni, Veda and also strap-on-motors for satellite launch vehicles. The extended capabilities of the company include products such as chaff, IR flares, explosive bolts, pyro devices, smoke markers, cable cutters, tear gas grenades and many other products including pyrogen igniters for defence and space applications. The company is a pioneer in indigenising the technology for manufacture of explosives and accessories.
2	Date or expected date of commencement of commercial production	September 9, 1980
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	In the financial year 2021-22, the Company made a turnover of Rs. 19,912.77 lakhs and Profit of Rs. 562.01 lakhs after tax
5	Foreign Investments or collaborations, if any	None

II. Information about the appointees

Dr. Amarnath Gupta

1	Background details	Age: 77 years Qualification: M.Sc. (Mining Engineering) from Indian School of Mines, Dhanbad Distinction: He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology.
2	Past Remuneration	During the year 2021-22, remuneration of Rs. 271.91 lakhs was paid to Dr. Amarnath Gupta, as Chairman & Managing Director upto 13th February, 2022 and Rs. 3.20 lakhs paid towards sitting fee and remuneration as Non-Executive Director and Chairman.
3	Recognition or awards	• Received "Honorary Fellowship" from High Energy Materials Society of India • Recipient of 'Pickering and ISM Medal' from Indian School of Mines, Dhanbad • Received Gold Medal from Mining Geological and Mettallurgical Institute of India for best paper for the year 1977-78 • Was Chairman of Explosives Development council and Chairman of Explosives Manufacturers Association of India.

4	Job profile and his suitability	Non-Executive Director and Chairman Founder – promoter Steered the company from commercial explosives to technology-products like solid propellants for missile programs Promoted R&D in the Company giving results like receiving DRDO's Technology Absorption Award from Prime Minister of India Responsible for development and production of safer and green detonators using NHN as primer in place of conventional ASA. Has made distinguished contributions to the field of science and technology leading to conferment of Doctor of Science.
5	Remuneration proposed	As stated in the Notice & Explanatory Statement at Item No. 7 of this Notice
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the company, the profile of the director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar directors, in other companies.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other director, if any	Dr. Amarnath Gupta is holding 24.37% in the paid up equity share capital of the Company. Dr.(Mrs) Kailash Gupta, Non-Executive Director, is his spouse and Mrs. Shonika Prasad, Non-Executive Director, is his daughter.

Mr. Y. Durga Prasada Rao

1	Background details	Age: 59 years Qualification: B. Tech (Mechanical Engineering)
2	Past Remuneration	Rs. 43.13 lakhs (2021-22)
3	Recognition or awards	N.A
4	Job profile and his suitability	• Director-Operation • On the Board of Directors since 2019 • Working with the Company since July 01, 1989 and was holding the position of President (Production) previously • currently heading the manufacturing activities of our Company at Peddakandukuru and Katepally.
5	Remuneration proposed	As stated in the Resolution at Item No. 6 of this Notice
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the company, the profile of the director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar directors, in other companies.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other director, if any	Shareholding in the Company- Nil. He is not related to any of the Directors and Key Managerial Personnel of the Company.

Notice of the 42nd Annual General Meeting

III. Other Information

1	Reasons of loss or inadequate profits	During the financial year ended March 31, 2022, major reason for inadequacy of profit is the higher depreciation charge during the year (increased to Rs.937.48 lakhs in FY 2021-22 from Rs.597 lakhs) due to the capitalisation of Greenfield project at Katepally Remuneration payable under item 6 & 7 (i.e., Dr. Amarnath Gupta & Mr. Y. Durga Prasada Rao) would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
2	Steps taken or proposed to be taken for improvement	Due to the huge order inflow during April-May 2022, the company is expected to perform well in FY 2022-23 onwards. The Company is optimistic on the better profitability for the current financial year, due to eased and improved market conditions.
3	Expected increase in productivity and profits in measurable terms.	The Company places priority on defence explosives and continues commercial explosives on feasibility basis. With the execution of the current order book and stabilization of Raw Material prices, the company can get better margins. However, at this point in time, the Company would not be in a position to comment on the overall increase in the productivity/profitability for the financial year, as it is based on various internal and external factors including prospective pandemic induced restrictions and resultant impact, if any.

Annexure to Item No. 5, 6 and 7 of the Notice dated 3rd August, 2022

Details of Directors seeking appointment / re-appointment 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]

Particulars of the Directors			
Name	Y. Durga Prasada Rao	Dr. Amarnath Gupta	Dr.(Mrs.) Kailash Gupta
DIN	08072805	00053985	00054045
Date of birth	20/05/1963	14/04/1945	30/01/1946
Age	59 years	77 years	76 years
Date of first Appointment on the Board	10/08/2019	20/02/1980	27/05/1999
Qualifications	B. Tech (Mechanical Engineering)	M.Sc. (Mining & Engineering), D.Sc. (honorary)	DMCH, A Doctor by profession.
Brief resume, experience, nature of expertise in specific functional area	He holds a Bachelor's degree of Technology in Mechanical Engineering from Sri Venkateswara University, Tirupathi, Andhra Pradesh. He has experience in production of explosives, propellants and project execution. He has been working with your Company since July 1, 1989 and is currently heading the manufacturing activities of our Company at Peddakandukuru and Katepally.	Heading the Company, right from its inception, instrumental in its growth, with active involvement in product development and projects of defence supplies, new products and processes. He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology.	A Doctor by profession, and has rich experience in the Industry. As a member of the Corporate Social Responsibility Committee, she is actively involved in promoting community healthcare and philanthropic activities
Terms and Conditions of appointment / reappointment	Re-appointment as Director Operations for a period of five years w.e.f 10th August, 2022	Payment of remuneration as specified in item no. 7 of the Notice.	Appointment as Director liable to retire by rotation, as specified in item no. 2 & 5 of the Notice.
Shareholding in the Company	Nil	26,20,183 equity shares	11,67,467 equity shares
Relationship with other Directors	Not related to any Director of the Company	Spouse of Dr.(Mrs.) Kailash Gupta, Non-Executive Director & Father of Mrs. Shonika Prasad, Non-Executive Director	Spouse of Dr. Amarnath Gupta, Non-Executive Chairman and mother of Mrs. Shonika Prasad, Non-Executive Director
No of Meetings of the Board attended out of meetings held during the year as on date of Notice	7/7	7/7	7/7
Directorships held in other companies	Premier Wire Products Limited	i. BF Premier Energy Systems Private Limited ii. PELNEXT Defence Systems Private Limited	Premier Wire Products Limited
Memberships / Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	None	Member of 1. Audit Committee 2. Nomination & Remuneration Committee	Member of Stakeholders Relationship Committee
Details of remuneration sought to be paid and last drawn remuneration	Given in the Resolution proposed to be passed in the 42nd AGM Notice	Given in the resolution proposed to be passed in 42nd AGM Notice	No remuneration is paid except the sitting fee for attending the Board and Committee Meetings of the Company

By order of the Board
For Premier Explosives Limited

Place: Secunderabad
Date: 03.08.2022

K.Jhansi Laxmi
Company Secretary
MNo: A16577

Premier
Explosives
Limited

Premier Explosives Limited
CIN: L24110TG1980PLC002633
Premier House, 11 Ishaq Colony, Near AOC Centre,
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