Premier Explosives Limited

Purposeful Pursuits

44th Annual Report 2023-24

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About Premier Explosives Limited (PEL)

In the high-stakes world of explosives Defence and Aerospace research and innovation aren't just important—they're critical. These elements drive advancements that ensure safety, efficiency, and progress. Premier Explosives Limited (PEL) exemplifies this ethos, transforming visionary ideas into groundbreaking realities. Established in 1980 by the enterprising Dr. A.N. Gupta, PEL has grown into a formidable Rs. 2600 million enterprise, leading the industry with its pioneering spirit.

Dr. Gupta, an alumnus of the prestigious Indian School of Mines, Dhanbad, founded PEL with a relentless focus on research and innovation. Over the decades, this commitment has propelled PEL to the forefront of manufacturing explosives and defence products using Indigenous technology, setting new benchmarks in the industry.

Pioneering Achievements

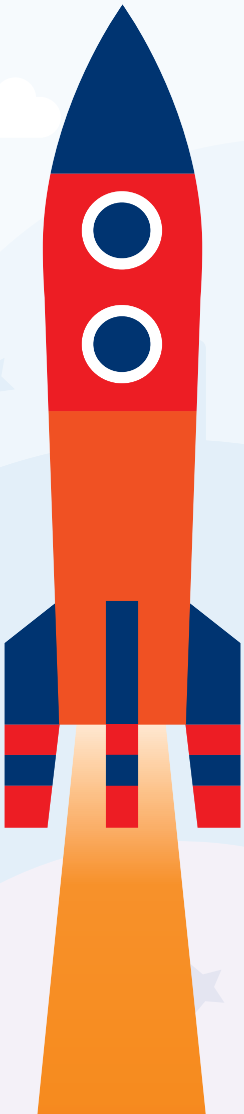
Driven by firm desire to stay ahead of the curve, PEL's journey is marked by groundbreaking milestones that have reshaped the industry. In the 1980s and 1990s, PEL set a new standard by manufacturing explosives and detonators with innovative homegrown technology. The company's spirit of innovation reached a historic pinnacle in 2013 when PEL became the world's first to commercially produce detonators using Nickel Hydrazine Nitrate (NHN) as the primary charge. This remarkable achievement highlighted PEL's dedication to cutting-edge technology and underscored its unwavering commitment to safety and excellence in explosive technology.

Products for Defence & Aerospace

- Solid Propellants
- Fully assembled Rocket Motors
- High Explosive Charges
- Chaffs and Flares
- Pyro initiators
- War Heads
- Ammunition
- Explosive bolts
- Smoke markers

Products for Industrial Mining

- Bulk Explosives
- Detonators
- Detonating Fuse
- Cast Booster



Key Differentiators

Expansion into Defence and Space

In 2003, PEL confidently ventured into the defence sector, harnessing its expertise to develop cutting-edge solid propellants. Today, PEL stands as the only private company in India entrusted with supplying solid propellants for prestigious missile programs such as Akash, Astra, LRSAM, and more. Beyond this, PEL is a trusted supplier to the Indian Space Research Organisation (ISRO) and the Defence Research and Development Organisation (DRDO), cementing its reputation as a key player in defence and space technology.

State-of-the-Art Facilities and Collaborations

PEL's commitment to excellence is reflected in its state-of-the-art R&D facility, recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. This facility also serves as a research base for Ph.D. work with Gulbarga University, Karnataka. The company's laboratory is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), ensuring the highest standards in testing and calibration. Furthermore, PEL's collaboration with esteemed institutions like IIT Madras enhances its capabilities in high-energy material research, driving innovation and technological advancement.

Commitment to Quality and Safety

At the heart of PEL's operations lies an unwavering commitment to quality, safety, health, and environmental stewardship. Our state-of-the-art manufacturing facilities are strategically located across India in Telangana, Madhya Pradesh, Maharashtra, and Tamil Nadu, ensuring efficient production and seamless distribution.

Global Reach and Customer Support

PEL's expansive distribution network, consisting of magazines, consignment agents, dealers, and handling agents, guarantees prompt stock delivery, even to the most remote locations. Our dedicated team of experienced sales and technical service engineers offers comprehensive support on the application, safety, and handling of explosives and accessories. Additionally, our expert mining and blasting engineers at the Technical Services group are always ready to provide specialised assistance.

Financial Strength and Market Presence

In FY24, PEL demonstrated remarkable growth, achieving revenues of Rs. 2717 million and securing a robust order book worth Rs. 9647 million. With a strong presence in both domestic and international markets, PEL has seen significant export growth in the defence sector.

Letter from the Founder and Non-Executive Chairman

Dear Shareholders,

As we reflect on the journey of Premier Explosives Limited (PEL) since its inception, it is with immense pride that I share the milestones we have achieved, particularly in FY24—a year that stands as a significant chapter in our history. A relentless focus on research has defined our journey, unwavering commitment to indigenisation, and continuous product development, which have collectively positioned us as a pioneer in the high-energy materials sector for civil and defence applications.

From the beginning, Premier Explosives Limited set out to carve a niche in an industry where precision, safety, and innovation are paramount. We were the first in India to manufacture explosives and detonating fuses using indigenous technology. This early achievement was just the start of our long-standing commitment to innovation. We became the first company in the world to produce safer and greener NHN detonators on a commercial scale, setting a new global standard in safety and environmental stewardship.

Our pioneering spirit did not stop there. Premier Explosives became the first private company to manufacture solid propellants for India's missile programs—a milestone that underscores our leadership in the defence sector. Our expertise now spans various segments, including the manufacturing of pyrogen igniters, case-bonded propellants, and gas generators for prestigious missile programs. Additionally, we have expanded our product portfolio to include a range of pyros, explosives, and countermeasures such as chaffs and flares, further solidifying our role as a critical supplier to India's defence and space PSUs.

Today, our workforce of over 850 dedicated and experienced employees, including about 100 engineers and scientists, continues to push the boundaries of what is possible. This highly skilled team has been instrumental in training over 550 personnel in propellant and pyrotechnic products, ensuring that we lead and nurture the next generation of experts in our field.

FY24 marks a milestone year for Premier Explosives Limited, not just for the financial growth we have achieved but for the strides we have made in our strategic objectives. Our focus on indigenisation has enabled us to continue leading the production of high-energy materials for defence and space applications. We have developed low-cost processes and techniques for producing industrial explosives, expanded our capacity for missile integration, and successfully met the full requirements of ISRO's strap-on motors. These accomplishments reflect our vision of becoming a global leader in our segment through relentless research and development of knowledge-based products. Our robust order book, standing at ₹8,994 million as of June 2024, further reflects our clients' trust and confidence in our capabilities. These accomplishments reflect our vision of becoming a global leader in our segment through relentless research and development of knowledge-based products.

We are poised to enter new export markets for defence products and high-energy components, further expanding our global footprint. The leadership team, our esteemed Board of Directors, and our efficient, empowered workforce remain committed to taking Premier Explosives Limited to even greater heights. Together, we are propelling the company into a new future where our innovations continue to shape the industry and our milestones set new benchmarks for excellence.

Thank you for your continued trust and support as we embark on the next phase of our journey.

Warm regards,

Dr. A. N. Gupta
Non-Executive Chairman

FY24 marks a milestone year for Premier Explosives Limited, not just for the financial growth we have achieved but for the strides we have made in our strategic objectives. Our focus on indigenisation has enabled us to continue leading the production of high-energy materials for defence and space applications

Message from The Managing Director

Dear Shareholders,

As Premier Explosives Limited steps into FY25, the company is steadfast in its mission to fortify its leadership position in the high-energy materials sector. Our strong emphasis on innovation and technological advancements, coupled with our unwavering commitment to excellence, is evident in our ongoing participation in critical defence and space programs, both domestically and globally. We have bolstered our capabilities through strategic expansions and by enhancing our product offerings, positioning ourselves as a preferred supplier for India's most prestigious missile programs.

Premier Explosives Limited (PEL) is poised for significant growth, underpinned by a strong order book of approximately Rs. 899 crore as of June 30, 2024. A substantial 85% of this order book originates from the high-margin defence segment, providing us with solid revenue visibility in the near to medium term. The Government of India's Atmanirbhar Bharat Abhiyan, which focuses on reducing import dependency and boosting Indigenous defence production, offers promising opportunities for expansion. As we continue to align our strategic initiatives with these national goals, we are proud to be contributing to the nation's defense self-reliance and well-positioned to leverage the growing demand in the defence sector and enhance our operational scale.

Our relationships with marquee clients such as Bharat Dynamics Limited (BDL), mining companies, and the Indian Space Research Organisation (ISRO) remain a cornerstone of our success. These partnerships not only validate our technical expertise but also provide us with recurring orders, ensuring a stable revenue stream. The ongoing demand from these esteemed clients, coupled with our unwavering commitment to technological excellence, supports our optimistic outlook for sustained growth and profitability.

Our unwavering focus on research and development has led to significant technological breakthroughs, including the development of safer and greener detonators and solid propellants tailored for various missile systems. These efforts, combined with our robust manufacturing infrastructure, not only enhance our market presence but also align us closely with India's "Make in India" initiative, contributing to the nation's defence self-reliance.

FY24 Performance Overview

Reflecting on the past year, FY24 has seen remarkable growth and significant achievements, indicating our commitment to maintaining our leadership in the explosives and defence sectors while expanding our capabilities and market reach.

In FY24, Premier Explosives Limited delivered strong financial results, marked by robust revenue growth and substantial improvements in profitability. Our revenue from operations increased by 34% to ₹2,717.2 million, compared to ₹2,020.3 million in the previous year. This growth was primarily driven by the exceptional performance of our Defence & Space services segment, which saw an 88% year-on-year increase, contributing ₹1,851 million to the total revenue. However, the Explosives segment experienced a slight decline of 16% year-on-year, with revenue of ₹866 million.

Our efforts to enhance operational efficiency and cost management have resulted in a significant improvement in profitability. The operating profit for the year stood at ₹585 million, representing a 127% increase from ₹258.2 million in FY23. This was achieved through improved operating margins, which expanded by 875 basis points to 21.5%, up from 12.8% in the previous year.

The company's profit after tax (PAT) for FY24 reached ₹281.2 million, a 320% increase compared to ₹66.9 million in FY23. This remarkable performance underscores our ability to navigate challenges and focus on long-term value creation for our stakeholders.

During the year, we also completed a successful equity share split, reducing the face value of our shares from ₹10 to ₹2 per share. This move aimed to enhance liquidity and make our shares more accessible to a broader investor base. Additionally, the Board recommended a dividend of ₹2.50 per equity share of ₹10/- each for FY24, up from 17% in the previous year.

Financial Strength

Our balance sheet remains strong, with total assets growing from ₹3,589.9 million in March 2023 to ₹4,446.5 million in March 2024. This growth was driven by increased current assets, which rose from ₹1,573.1 million to ₹2,346.3 million. We also successfully commissioned our RDX & HMX plant, which is now meeting in-house requirements and catering to the domestic market, with plans to secure orders from overseas markets.

In conclusion, I thank our shareholders, employees, and partners for their unwavering support and confidence in Premier Explosives Limited. We are well-positioned to capitalise on the opportunities ahead and continue delivering sustainable value to our stakeholders.

Thank you for your continued trust in our journey.

T V Chowdary
Managing Director

Defence and Space Services

In FY24, the Defence and Space Services segment demonstrated exceptional growth, with revenue surging by 88% year-over-year (YoY), from ₹984 million in FY23 to ₹1,851 million in FY24. This impressive increase reflects the company's expanding footprint and growing capabilities within the defence and space sectors, aligning with India's broader advancements in these critical areas.

The significant rise in revenue indicates the successful execution of key projects and the company's ability to secure and deliver on strategic contracts. This robust performance underscores the importance of the Defence and Space Services segment as a primary driver of the company's overall financial growth, reinforcing its strategic focus on these high-potential sectors.

Looking ahead, the strong momentum in Defence and Space Services positions the company well to capitalize on emerging opportunities, potentially leading to continued growth and further strengthening its role in supporting India's defence and space initiatives.

₹1851 Million

Revenue from Defence and Space Services

+ 88% year on year

₹564.5 Million

Revenue from Defence Exports

+ 225% year on year

The significant rise in revenue indicates the successful execution of key projects and the company's ability to secure and deliver on strategic contracts.

Products – Defence

Since 2003, Premier Explosives Limited (PEL) has been at the forefront of manufacturing solid propellants, significantly contributing to India's tactical and strategic missile programs. Located in Peddakandukuru in the Nalgonda district of Telangana, PEL's state-of-the-art facilities have been instrumental in meeting the demands of critical defence systems, including

Akash

Type
Tactical, Surface to Air

Stage
Production

Client
Bharat Dynamics Limited (BDL)

End User
Indian Air Force and Indian Army

PEL's Contribution
Premier Explosives Limited (PEL) has significantly contributed to the Akash missile program by supplying over 2500 booster grains and 450 sustainer grains. These essential components ensure the effective performance of the Akash missile, which plays a vital role in India's air defence strategy.

MRSAM (Medium Range Surface to Air Missile)

Type
Tactical, Surface to Air

Stage
Production

Client
DRDO / Bharat Dynamics Limited (BDL)

End User
Indian Army

PEL's Contribution
PEL fulfills 100% of the solid propellant requirements for the MRSAM missile. This ensures that the Indian Army is equipped with reliable and high-performance missiles to protect against aerial threats.

Agni

Type
Strategic

Stage
Production

Client
Advanced Systems Laboratory

End User
Strategic Forces Command

PEL's Contribution
The pyrogen igniter, provided by PEL, is a crucial component for the Agni missile. This device is essential for initiating the missile's propulsion system, contributing to the successful deployment of India's strategic missile arsenal.

Premier Explosives Limited (PEL) manufactures solid propellants essential for India's missile programs, including Akash, MRSAM, Agni, BrahMos, LRSAM, and Astra. PEL ensures reliability and performance for tactical and strategic defense systems across the Indian Armed Forces.

BrahMos

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

Stage
Production

Client
High Energy Materials Research Laboratory (HEMRL)

End User
Indian Air Force, Indian Navy, and Indian Army

PEL's Contribution
PEL has been entrusted with the transfer of technology, which is currently under induction. This technology transfer is critical for the continued development and production of the BrahMos missile, a key asset in India's defense capabilities.

LRSAM (Long Range Surface to Air Missile)

Type
Tactical, Surface to Air

Stage
Production

Client
DRDO

End User
Indian Navy

PEL's Contribution
PEL is the sole provider of solid propellants for the LRSAM missile. This contribution ensures that the Indian Navy has access to dependable and effective long-range surface-to-air missiles, enhancing its defensive and offensive operations.

Missile

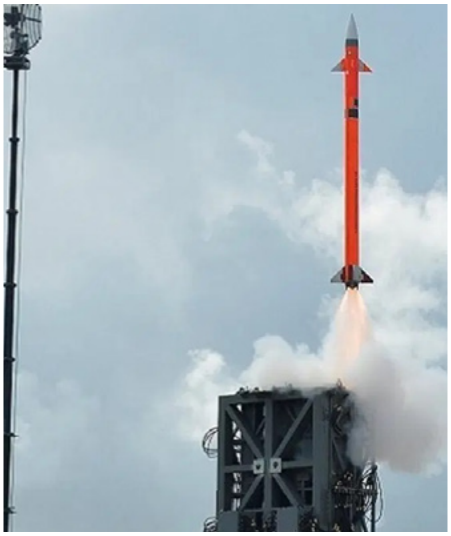
Type
Tactical, Air to Air

Stage
Production

Client
DRDO

End User
StraIndian Air Force

PEL's Contribution
For the Astra missile, PEL provides 100% of the solid propellants required. These propellants are crucial for the missile's performance in air-to-air combat, supporting the Indian Air Force's superiority in aerial engagements.



Specialty Products

In addition to solid propellants, Premier Explosives Limited produces a range of speciality products tailored for the defence sector. These innovative products demonstrate PEL's commitment to supporting diverse defence needs with advanced technology and reliable solutions.

Explosive Bolts and Pyro Actuators

PEL's explosive bolts and pyro actuators are designed for precision and reliability, ensuring critical operations are carried out with the highest safety and effectiveness.

Smoke Markers and Cable Cutters

Are essential for various defence applications, providing visibility and operational support in challenging environments.

Counter Measures (Chaffs & Flares)

PEL's Chaffs & Flares offer enhanced protection and efficiency, catering to Indian Airforces specific requirements.

Contributions to India's Space Missions

Premier Explosives Limited has significantly increased its participation in India's space program through strategic operations and collaborations.

Operations & Maintenance Under GOCO

Under a 10-year GOCO contract starting in January 2019, Premier Explosives Limited is responsible for operating and maintaining key ISRO facilities, SPP of SHAR ISRO.

PSOM-XL for ISRO

In January 2018, Premier Explosives successfully tested a trial order of PSOM-XL. Subsequently, the company completed and delivered an order from Vikram Sarabhai Space Centre (VSSC) for producing PSOM-XL, a solid propellant for the Satellite Launch Vehicle (SLV). This order was executed at the Katepally Plant, highlighting Premier Explosives' capability to produce crucial components for India's space missions.

Products - Commercial Explosives

PEL has established itself as a leader in producing commercial explosives, serving the mining and infrastructure sectors with an extensive product lineup. The company's state-of-the-art manufacturing facilities and a strong focus on research and development have enabled it to deliver high-quality, reliable products.

Bulk Explosives

PEL manufactures bulk explosives at several strategic locations across India, including Singrauli (Madhya Pradesh), Chandrapur (Maharashtra), Godavarikhani (Telangana) and Manuguru (Telangana). These facilities are equipped to produce large quantities of bulk explosives that meet the stringent demands of mining and construction projects. Bulk explosives are essential for large-scale excavation and mining operations, providing the necessary power and precision for efficient material extraction.

Detonators and Detonating Fuse

Detonators and detonating fuses are integral components of any blasting system. PEL manufactures a range of detonators and detonating fuses that are essential for initiating explosives in a controlled manner. These products are designed to provide precise timing and reliable performance, ensuring the safety and effectiveness of blasting operations.

Cast Boosters

PEL's cast boosters enhance the performance of detonating systems in blasting operations. These boosters are critical in successfully initiating explosives, especially in challenging conditions.
PEL produces high-quality cast boosters that deliver reliable and effective results, contributing to blasting operations' overall efficiency and safety.

Our R&D Capabilities

Premier Explosives Limited (PEL) stands at the forefront of innovation, renowned for its exceptional research and development capabilities that drive advancements in the defense and explosives industry. PEL's R&D team, composed of skilled scientists and engineers, is dedicated to pioneering new technologies and enhancing existing ones to meet the evolving needs of the industry.

Ground-breaking Developments

World's First

PEL is the first company in the world to achieve commercial-scale production of detonators using Nickel Hydrazine Nitrate (NHN). NHN offers a superior alternative to the widely used ASA by ensuring higher safety during production and post-production handling.

Indigenous Innovation

The R&D team has successfully developed several products for import substitution, including bomb-dropping mechanisms and pyro cartridges for the Indian Navy. These innovations have significantly reduced dependency on foreign imports and resulted in substantial foreign exchange savings.

Smokeless Solid Propellant

PEL has developed a smokeless solid propellant for one of India's crucial missile systems. The company is also working on similar compositions for other missiles in collaboration with the Defense Research and Development Organization (DRDO).

High-Energy Materials - Advanced Explosives

PEL has developed lab-scale production processes for high-energy materials like HNS-IV and commercial-scale technology for CL-20, the most powerful explosive in the world. These advancements highlight the company's commitment to pushing the boundaries of explosive technology.

Strategic Collaborations and Recognitions

PEL's R&D prowess is further amplified through strategic collaborations with esteemed institutions like IIT Madras to develop high-energy materials. The company's facilities are recognised and accredited by national and international bodies, ensuring adherence to the highest quality and safety standards.

Intellectual Property and Industrial Licenses

PEL continuously strengthens its intellectual property portfolio and holds multiple industrial licenses from the Department for Promotion of Industry and Internal Trade (DPIIT) for the manufacturing and developing of high-energy materials and defence products. This includes licenses for rockets, missiles, bombs, mines, ammunition, and various other defence components.

Corporate Information

Board of Directors

Dr. A.N. Gupta
Chairman

Mr. T.V. Chowdary
Managing Director

Mr. Y. Durga Prasad Rao
Director Operations

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

Mrs. Shonika Prasad
Non-Executive Director

Sri P.R. Tripathi
Independent Director
(upto 12th August, 2024)

Sri Anil Kumar Mehta
Independent Director
(upto 12th August, 2024)

Sri K. Rama Rao
Independent Director
(upto 12th August, 2024)

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

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

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

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

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

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

Company Secretary & Compliance Officer
K. Jhansi Laxmi

Chief Financial Officer
Srihari Pakalapati

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

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

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

Corporate Social Responsibility Committee
Dr. (Mrs.) Kumuda Raghavan (Chairman)
Dr. (Mrs.) Kailash Gupta
Mr. 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
SBM Bank (India) Ltd

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

Corporate Identification Number
L24 110TG 1980 PLC 002633

Listing
BSE & NSE

Registered office
Premier Explosives Limited
Premier House, 11 Ishaq Colony,
Near AOC Centre,
Secunderabad – 500015,
Telangana, India
Phone: 040 66146801 to 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 841 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,
Pyrodevices, Counter measures and
propellants
Product Research &
Special Products Divisions

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

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

Board of Directors

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.

Mr. T V Chowdary
Managing Director

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

Mr. Y Durga Prasad Rao
Director (Operations)

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

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

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

Mrs. 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.

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.

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

Dr Nanda holds a Bachelor's Degree in Mining with a 1st Division with Distinction from Indian School of Mines, Dhanbad and a Master's Degree by Research in the area of Reliability Engineering from IIT(ISM), Dhanbad and Ph.D in Mineral Processing from Krishnadev Rai University, Ballari, Karnataka.

Dr Nanda is an expert in Mine Planning, Operation and Complete management of mineral projects in Iron Ore, Diamond, Limestone, Copper having 38 years successful experience in the Industry. He has expertise in Project Management, conceptualized the 3 MTPA steel plant construction at NMDC and supervised and monitored as Director Technical New Projects like Slurry Pipe line and Pellet Plant along with two 7 MTPA iron Ore Mine at NMDC implemented by him. He has expertise in Mineral Beneficiation and development of new material through utilization of waste. He has actively involved in the sharing and dissemination of knowledge through various technical publications and received various Honors and Awards to his credit.

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

Dr V G Sekaran holds a Bachelor's Degree in engineering, in the branch of Mechanical Engineering, from Madurai University, a Master's Degree in Engineering, with a Specialisation in Aeronautical Engineering from the Indian Institute of Science, Bangalore and a doctorate in philosophy from the Queen's University of Belfast.

Dr. Gnana Sekaran Venkatasamy is an eminent Missile Scientist and the Chief Designer of the Long-Range Ballistic Missile System AGNI5. He has held key roles in DRDO including Chief Controller R&D (Missiles & Strategic Systems), Programme Director to Agni Missiles and involved in development of programs of national importance such as Missiles & Strategic Systems. He has sound technical knowledge on missile systems, flight mechanics, propulsion systems and advanced technologies such as composites. He has carried out extensive research and developed many critical technologies for Indian Defence Industry. He is honoured with various prestigious awards such as "Scientist of the year award", "Path Breaking Research/Outstanding Technology Development Award", "Technology leadership awards, among others. He is involved in framing several policies in the areas of joint collaborations and technology acquisitions both within the country and abroad during his stint with DRDO. He has served as an advisory committee member for technological development programmes and published several national and international research journals.

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

Mr. Ch Seshagiri Rao is a Chartered Accountant from the Institute of Chartered Accountants of India.

Mr. Ch Seshagiri Rao has been engaged in professional practice as a Chartered Accountant since 1976. With over four decades of experience, he has gained expertise in conducting internal and statutory audits for corporate organizations and Banks, as well as specialization in corporate taxation. He was Co-opted as Committee member of Expert Advisory Committee of Institute of Chartered Accountants of India, New Delhi and was co-opted as a committee member of State Level Audit Board of A.G's Office, Andhra Pradesh

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

Dr (Mrs.) Kumuda Raghavan (M.B.B.S) is a Doctor by profession

Dr. (Mrs.) Kumuda Raghavan, a doctor by profession and has rich experience in Medical Field. She actively involves in promoting community healthcare and philanthropic activities

Senior Management

T V Chowdary
Managing Director

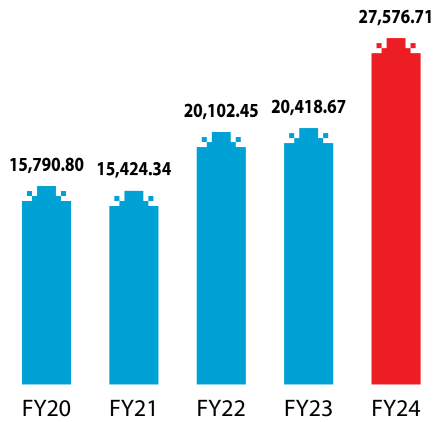
Y. Durga Prasad Rao
Director Operations

Srihari Pakalapati
Chief Financial Officer

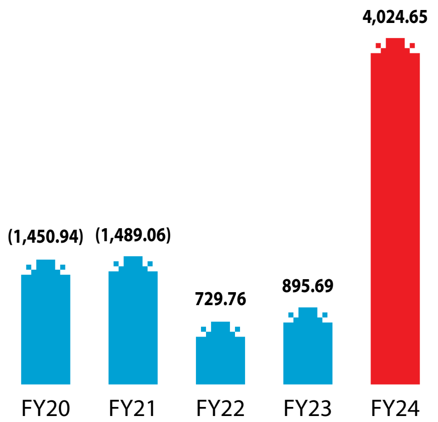
K. Jhansi Laxmi
Company Secretary

Performance Highlights

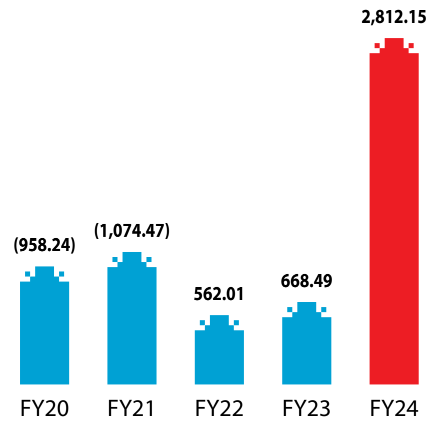
Total revenue (₹ in lakhs)



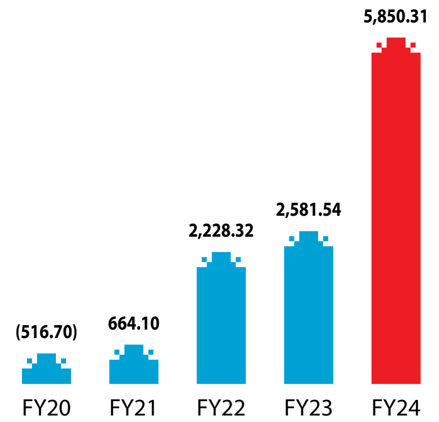
PBT (₹ in lakhs)



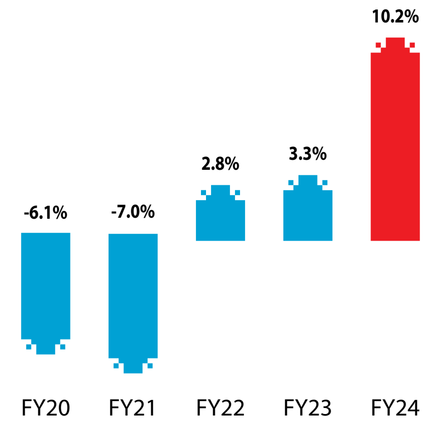
PAT (₹ in lakhs)



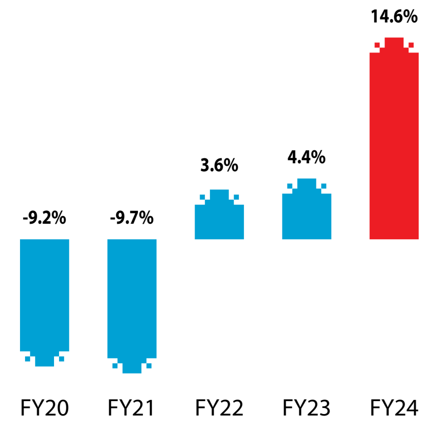
EBIDTA (₹)



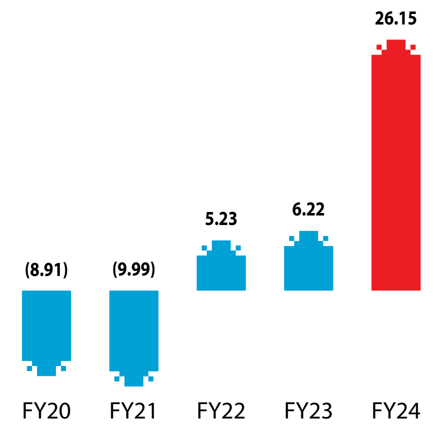
PBT/total revenue



PAT/Total revenue



EPS (₹ in lakhs)



10 Years at a Glance

Statement of Profit and Loss	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Operating revenue	**27,171.67**	**20,203.01**	19,912.77	15,337.19	15,650.80	24,093.35	26,590.85	23,071.62	18,498.65	14,949.16
Other income	**405.04**	**215.66**	189.68	87.15	140.00	259.03	220.49	66.82	46.45	74.04
Total revenue (net)	**27576.71**	**20,418.67**	20,102.45	15,424.34	15,790.80	24,352.38	26,811.34	23,138.44	18,545.10	15,023.20
EBIDTA	**5850.31**	**2,581.54**	2,228.32	664.10	(516.70)	2,343.80	2,001.64	2,839.38	1,760.73	1,254.34
Otherincome	**405.04**	**215.66**	189.68	87.15	140.00	259.03	220.49	66.82	46.45	74.04
Depreciation	**(1151.69)**	**(982.25)**	(937.48)	(597.00)	(496.98)	(418.91)	(363.35)	(346.42)	(332.39)	(330.07)
Financecosts	**(1079.01)**	**(919.26)**	(750.76)	(735.30)	(577.26)	(552.27)	(514.84)	(437.33)	(374.49)	(236.08)
Profit before exceptional item sand tax	**4024.65**	**895.69**	729.76	(581.05)	(1,450.94)	1,631.65	1,343.94	2,122.45	1,100.30	762.23
Exceptional items	-	-	-	(908.01)	-	-	-	58.15	(269.46)	-
Profit before tax	**4024.65**	**895.69**	729.76	(1,489.06)	(1,450.94)	1,631.65	1,343.94	2,180.60	830.84	762.23
Tax	**-1212.50**	**-227.20**	-167.75	414.59	492.70	(459.10)	(470.53)	(705.51)	(263.33)	(230.18)
Profit for the year	**2812.15**	**668.49**	562.01	(1,074.47)	(958.24)	1,172.55	873.41	1,475.09	567.51	532.05
Other comprehensive income (net)	**-108.21**	**-5.01**	-59.98	(71.40)	17.53	(81.32)	(78.76)	-	-	-
Total comprehensive income	**2703.94**	**663.48**	502.03	(1,145.87)	(940.71)	1,091.23	794.65	1,475.09	567.51	532.05
EBIDTA/Operating revenue	**21.5%**	**12.8%**	11.2%	4.3%	-3.3%	9.7%	7.5%	12.3%	9.5%	8.4%
PBT/Total revenue	**14.6%**	**4.4%**	3.6%	-9.7%	-9.2%	6.7%	5.0%	9.4%	4.5%	5.1%
PAT/Total revenue	**10.2%**	**3.3%**	2.8%	-7.0%	-6.1%	4.8%	3.3%	6.4%	3.1%	3.5%

Balance sheet	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Non-current assets										
Fixed assets and Intangible assets	**26960.73**	**24,932.85**	23,199.07	22,262.59	14,828.22	14,516.27	12,839.47	12,531.64	6,358.83	6,188.84
Depreciation and Amortisation	**-7199.38**	**-6,070.73**	(5,237.57)	(4,346.07)	(3,763.01)	(3,268.54)	(2,849.93)	(2,495.60)	(2,413.78)	(2,090.47)
Capital work in progress	**309.37**	**181.50**	369.82	175.65	6,169.62	3,482.52	1,579.17	368.96	241.82	41.40
		19,043.62	18,331.32	18,092.17	17,234.83	14,730.25	11,568.71	10,405.00	4,186.87	4,139.77
Right of Use asset (Leaseholdland)*	**79.47**	**75.31**	76.12	76.93	77.74					
Investment property	**8.02**	**8.02**	8.02	8.02	8.02	8.02	8.02	8.02		
Investments	**521.00**	**521.00**	531.00	531.00	531.00	531.00	531.00	526.00	525.00	520.00
Other non-current assets	**322.94**	**519.78**	1,020.48	729.55	1,012.61	1,087.32	730.20	630.23	511.46	329.93
Current assets	**23462.90**	**15,731.45**	12,374.05	9,974.59	11,763.65	13,233.78	17,779.77	10,482.90	7,745.98	6,336.75
Totalassets	**44465.05**	**35,899.18**	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45
Share capital	**1075.22**	**1075.22**	1,075.22	1,075.22	1,075.22	1,075.22	1,063.71	885.86	885.86	885.86
Otherequity/Resesrves and surplus	**20951.07**	**18,429.92**	17927.72	17,425.69	18,571.56	19,862.25	18,613.11	12,838.51	5,659.27	5,305.00
Share warrants	-	-					148.80	-	-	-
Networth	**22026.29**	**19,505.14**	19,002.94	18,500.91	19,646.78	20,937.47	19,825.62	13,724.37	6,545.13	6,190.86
Non-current liabilities										
Financial liabililties	**1257.65**	**237.58**	516.65	1,031.05	405.32	660.39	818.76	704.72	105.20	138.47
Provisions	**983.69**	**701.20**	532.71	510.29	391.14	312.24	269.38	312.78	233.66	177.55
Deferred tax liability	**1364.24**	**843.20**	684.93	514.09	924.34	1,410.28	1,354.17	339.01	408.50	587.27
Current liabilities	**18833.18**	**14,612.06**	11,603.76	8,855.92	9,260.27	6,269.99	8,349.77	6,971.27	5,676.82	4,232.30
Equity and liabilities	**44465.05**	**35,899.18**	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15	12,969.31	11,326.45
Return on capital employed	**15.00%**	**5.50%**	7.8%	-4.1%	-4.4%	9.4%	8.3%	17.4%	16.5%	14.1%
Return on networth	**12.27%**	**3.4%**	2.6%	-6.2%	-4.8%	5.2%	4.0%	10.7%	8.7%	8.6%
Longterm Debt/Equity	**0.06**	**0.01**	0.03	0.06	0.02	**0.03**	**0.04**	**0.05**	**0.02**	**0.02**
Currentratio	**1.25**	**1.08**	1.07	1.13	1.27	2.11	2.13	1.50	1.36	1.50

Per share	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Book value per share - ₹	**204.85**	**181.41**	176.73	172.07	182.72	194.73	184.98	154.93	73.88	69.89
Earnings per share - ₹	**26.15**	**6.22**	5.23	(9.99)	(8.91)	11.00	8.42	16.65	6.41	6.10
Dividend per share - ₹	**2.50**	**1.70**	1.50	-	-	2.70	2.50	3.00	2.00	2.00
No. of shareholders	**24933**	**9991**	9,311	9,386	9,707	10,428	10,258	9,715	9,085	8,811

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

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Economy

Global Economy

The global economy has demonstrated resilience despite earlier predictions of stagnation, showcasing consistent growth alongside a rapid slowdown in inflation. This period was marked by significant challenges, including supply chain disruptions in the post-pandemic world, energy and food crises exacerbated by geopolitical tensions, and high inflation, which led to coordinated monetary tightening across nations. Despite these hurdles, the U.S. economy outperformed its pre-pandemic trajectory, leading to a stronger U.S. dollar, while emerging economies continued to recover slower.

The IMF's World Economic Outlook projects stable global growth at 3.2% this year and the next, with inflation expected to decrease from 2.8% in 2024 to 2.4% in 2025. Positive shifts in supply dynamics, such as reduced energy price shocks and an increase in labour supply due to immigration in advanced economies, are contributing to robust economic development and swift disinflation. However, risks remain, including inflationary pressures and the need for fiscal adjustments, which require decisive policy actions.

The alignment of global monetary policies is showing signs of weakening, which could impact capital flows, cross-border investments, and asset valuations. Emerging markets, in particular, face increased debt burdens and challenges in accessing capital. Financial institutions are contending with higher funding costs, and deteriorating asset quality could limit lending capabilities. Persistent high inflation may compel entities to employ leveraged investment strategies to reassess their positions.

Digital transformation and the surge in remote work have dramatically altered business operations worldwide. Companies have adopted digital tools to adapt, improving productivity and communication among dispersed teams. This digitisation has unlocked new opportunities for efficiency and innovation. While the rise of AI applications raises concerns about potential disruptions to labour markets and financial systems, they also present significant opportunities for enhanced efficiency. As these technologies evolve, nations must prioritise digital infrastructure, human capital development, and collaboration on international regulatory frameworks to harness the benefits fully.

Indian Economy

Amidst global uncertainties, India has demonstrated remarkable resilience. In the fiscal year 2023-24, India's GDP grew by 7.6%, building on a 7% growth rate from the previous year. Key sectors such as construction and manufacturing were pivotal in this resurgence, with construction growing by 10.7% and manufacturing by 8.5%.

In Q3 FY 2023-24, real GDP surged by 8.4%, with manufacturing growing by 11.6% and construction by 9.5%. The IMF projects India's GDP growth at 6.8% for 2024-25 and 6.5% for 2025-26. Reducing the current account deficit, driven by strong service exports and lower oil import costs, contributes significantly to India's economic stability.

The Monetary Policy Committee has maintained the repo rate at 6.50%, with the Marginal Standing Facility rate at 6.75% and the Standing Deposit Facility rate at 6.25%, emphasising financial stability. The Reserve Bank of India (RBI) is focused on enhancing India's global footprint, positioning itself as a model central bank within the Global South.

According to the RBI's Annual Report, credit to MSMEs increased by 14.1% year-on-year in March 2024, supported by collateral-free loans. Additionally, credit to non-banking financial companies (NBFCs) and trade within the services sector grew by 20.2% in March 2024, although this growth moderated following regulatory measures introduced by the RBI in November.

Credit to MSMEs by Scheduled Commercial Banks (SCBs) expanded by 20.9% from 2023-24 to December 2023, highlighting the critical role of SCBs in fostering entrepreneurship and improving access to financial resources for small and medium-sized enterprises.

India's economic resilience reflects its steadfast commitment to progress. The fiscal year 2023-24 will be remembered for India's determined march towards a promising future, driven by visionary policies and the indomitable spirit of its people. As we move forward, building on these achievements with renewed vigor is essential for a brighter tomorrow.

Review of Global and Indian Defence Sector

Global Defence Sector

In 2023, global military spending reached an unprecedented $2,443 billion, marking a 6.8% increase from the previous year. This surge in expenditure underscores the heightened global insecurity, ongoing conflicts, and rising geopolitical tensions that have driven nations to bolster their defence capabilities.

The United States led global defence spending with $916 billion, a 2.3% increase from the previous year, reflecting its ongoing commitment to maintaining global military dominance. China's defence expenditure was $296 billion, driven by its strategic military advancements and regional ambitions. Russia's defence budget surged by 24% to an estimated $109 billion, largely due to its ongoing conflict with Ukraine, which also saw a significant increase in military spending, reaching $64.8 billion in 2023.

Other top military spenders included Saudi Arabia ($75.8 billion), the United Kingdom ($74.9 billion), Germany ($66.8 billion), France ($61.3 billion), and Japan ($50.32 billion). These substantial investments highlight the global focus on modernising defence capabilities amidst escalating international tensions.

Indian Defence Sector

India maintained its position as the fourth-largest military spender in 2023, with an expenditure of $83.6 billion, a 4.2% increase from 2022. This growth continues India's strategic focus on enhancing its defence capabilities and infrastructure, particularly in response to ongoing border tensions.

India's defence modernisation efforts include significant investments in various military assets such as fighter jets, helicopters, warships, tanks, artillery guns, rockets, missiles, and unmanned systems. These investments underscore India's commitment to bolstering its military readiness and maintaining a robust defence posture.

For the fiscal year 2024-25, India allocated ₹6.21 trillion ($83.6 billion) for defence, which is 1.89% of its projected GDP. Although slightly lower than the previous year's revised estimates, this allocation represents a 4.72% increase from the budget estimates for 2023-24, emphasising India's focus on maintaining strong defence infrastructure amidst regional security challenges.

India vs. China

The comparison between India and China is particularly noteworthy given their ongoing border standoff along the Line of Actual Control (LAC) in eastern Ladakh since May 2020. Both nations have engaged in multiple military talks to address the border dispute, highlighting the strategic importance of their defence expenditures.

China's military spending, at $296 billion, significantly surpasses India's $83.6 billion, underscoring China's aggressive military modernisation and strategic ambitions. This disparity in defence budgets has prompted India to continue enhancing its defence capabilities to maintain regional stability and address security challenges effectively.

Defence Exports from India

India's defence exports have reached a new high, surging to ₹21,083 crores (approximately $2.63 billion) in the Financial Year 2023-24, marking a 32.5% increase from the previous fiscal's ₹15,920 crores. This remarkable growth signifies a 31-fold increase over the past decade compared to FY 2013-14. The private sector and Defence Public Sector Undertakings (DPSUs) have played pivotal roles in this achievement, contributing 60% and 40% to the record exports, respectively.

The number of export authorisations issued rose from 1,414 in FY 2022-23 to 1,507 in FY 2023-24. A comparative analysis over two decades shows a 21-fold increase in defence exports from ₹4,312 crores during 2004-05 to 2013-14 to ₹88,319 crores between 2014-15 and 2023-24. This substantial growth is attributed to government policy reforms, 'Ease of Doing Business' initiatives, and comprehensive digital solutions promoting defence exports. It underscores the global acceptance and demand for Indian defence products and technologies.

Industry Overview and PEL's Positions

The Indian defence and aerospace sector is rapidly evolving, driven by the government's strategic push towards self-reliance and indigenisation under the "Make in India" initiative. As one of the world's largest importers of defence equipment, India is making significant strides in reducing its dependence on foreign suppliers by fostering domestic production capabilities. This transformation is crucial for enhancing national security and positioning India as a global hub for defence manufacturing.

Favorable government policies, including the introduction of the Defence Production and Export Promotion Policy (DPEPP) and the Strategic Partnership (SP) model, support the sector's growth. These initiatives are designed to encourage private sector participation, promote joint ventures, and facilitate technology transfers from global Original Equipment Manufacturers (OEMs) to Indian companies.

The Indian defence market is characterised by high entry barriers, with strict regulatory requirements and the need for advanced technological capabilities. Premier Explosives Limited (PEL) has successfully navigated this complex landscape, leveraging its decades of experience and pioneering role in the production of high-energy materials and solid propellants. PEL's focus on innovation, supported by strong R&D capabilities, has enabled it to develop cutting-edge products that meet the stringent demands of defence and aerospace applications.

Moreover, the growing emphasis on exports presents new opportunities for Indian defence manufacturers. PEL, with its robust export portfolio, is well-positioned to capitalise on the increasing global demand for high-quality defence products, particularly in regions facing heightened security challenges.

About the Company

Premier Explosives Ltd. (PEL) is a pioneer in the Indian explosives and defence sectors, renowned for its innovative and Indigenous capabilities. The company's core offerings span two major segments: Commercial Explosives and Defence and aerospace.

Products Overview

Commercial Explosives:

PEL manufactures a diverse range of explosives used in mining and infrastructure industries. These include bulk explosives, cast boosters, detonators, and detonating fuses. The company supplies these products domestically and internationally, with exports to countries like Israel, Greece, Jordan, and Thailand.

Defence & Aerospace:

PEL is a key player in India's defence and space programs. It manufactures high-energy materials such as solid propellants for tactical and strategic missiles like Astra, Akash, and Agni. Additionally, the company produces advanced pyrotechnic devices, bombs, warheads, chaffs, flares, and other countermeasures. The company also contributes to the Indian Space Research Organisation (ISRO) by supplying solid propellants for satellite launch vehicles.

Strategic Direction

PEL's strategic vision is centred around leadership in high-energy materials for defence and space, with a focus on Indigenous development and technological innovation. Key strategies include:

Expanding Technological Capabilities

The company continuously enhances its intellectual property and manufacturing capabilities, maintaining high entry barriers in the defence sector. PEL holds industrial licenses for a wide range of defence products, including rockets, missiles, and ammunition.

Partnerships and Collaborations

The company collaborates with Indian and international entities, such as Gulbarga University, IIT Madras, and BITS Pilani, to drive research in high-energy materials. PEL is also forming strategic partnerships with original equipment manufacturers (OEMs) to meet defence offset obligations.

Research Capabilities

PEL is a leader in research and development within the explosives and defense sectors. The company was the world's first to produce safer and greener NHN detonators on a commercial scale. Its research collaborations with academic institutions and certifications from the Department of Scientific and Industrial Research (DSIR) and the National Accreditation Board for Testing and Calibration Laboratories (NABL) underline its strong R&D foundation. PEL's research efforts have led to the development of solid propellants for various missile systems, including stable combustion propellants for LRSAM, MRSAM, and Astra missiles.

Financial Performance – Overview

In FY24, Premier Explosives Limited recorded revenue of ₹2,717.2 million, reflecting a significant 34% growth compared to FY23's revenue of ₹2,020.3 million. This robust performance is attributed to the growth in the Defense & Space services segment, which saw an 88% increase in revenue. The company's operating profit (EBITDA) also improved markedly, with a 127% increase to ₹585.0 million, driven by higher volumes and better cost management.

The Profit After Tax (PAT) for FY24 surged by 320% to ₹281.2 million, compared to ₹66.9 million in FY23. This substantial improvement in profitability is due to increased revenue, a focus on operational efficiency, and favourable tax conditions.

Description	FY23 (₹ Mn)	FY24 (₹ Mn)	Y-o-Y (%)
Revenue from Operations	2020.3	2717.2	34
Expenses	1762.1	2132.2	21
Operating Profit	258.2	585	127
Operating Margins (%)	12.8	21.5	68
Other Income	21.50	40.5	88
Depreciation	98.2	115.2	17
Interest	91.9	107.9	17
Profit Before Tax	89.6	402.4	349
Tax	22.7	121.2	434
Profit After Tax	66.9	281.2	320
EPS	6.22	26.15	320

Ratios

Metric	FY23	FY24
EBITDA (%)	12.8	21.50
RoCE (%)	5.50	15.00
RoE (%)	3.40	12.27
Debt-to-Equity Ratio	0.01	0.06

Detailed Overview of Financial Performance - Consolidated

Revenue

Revenue (INR in lakhs)	FY24	FY23	Change (%)
Operating revenue	27,171.67	20,203.01	34.49
Other income	414.86	216.58	91.55
Total revenue	27586.53	20,419.59	35.10

Higher Operating Revenue has been contributed by the Highest ever exports of Rs.700 Mn during FY 2023-24 (as against Rs.334 Mn in FY 2022-23) along with the increase in volumes at Defense segment.

Geographical Revenue

Geographical Revenue (INR in lakhs)	FY24	FY23	Change (%)
India	20,192.90	16,858.43	19.78
Other countries	6,978.77	3,344.58	108.66
Operating revenue	27,171.67	20,203.01	34.49

Exports Revenue has gone up significantly due to the increase in exports at Defense segment. The defense segment saw an increase in Exports value to Rs.564 Mn in FY 2023-24 from Rs.174 Million in FY 2022-23.

Cost of Materials

Cost of Materials (INR in lakhs)	FY24	FY23	Change (%)
Cost of materials	10,070.70	10,766.97	-6.46
Purchase of stock in trade	227.92	697.17	-67
Changes in inventories	770.24	(2769.10)	128
Total materials	11,068.86	8,694.04	27.3
Operating revenue	24,748.87	16,795.47	47.35
Cost of materials / Operating revenue (%)	45	52	-13.46

The reduction in the composition of Material consumptions was mainly due to the change in product mix.

Employee Benefits

Employee Benefits (INR in lakhs)	FY24	FY23	Change (%)
Employee benefits	5,749.24	5,093.85	12.86
% of Total Revenue	21.2	25.2%	15.8

Increase in Employee benefits was mainly due to the annual increments along with the increase in contractual labour costs in line with the increase in volumes.

Finance Costs

Finance Costs (INR in lakhs)	FY24	FY23	Change (%)
Finance costs	1050.39	891.90	17.8
% of Revenue	4	4.4%	-10

Gone up marginally due to the increase in the requirement of working capital which is inline with the increase in operations.

Depreciation and Amortisation

Depreciation and Amortisation (INR in lakhs)	FY24	FY23	Change (%)
Depreciation and Amortisation	1,151.69	982.25	17.25
% of Revenue	4.20	4.9%	-14.28

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

Other Expenses

Other Expenses (INR in lakhs)	FY24	FY23	Change (%)
Other expenses	4465.36	3,781.57	18.08
% of Revenue	16.4	18.7%	-12.30

Increase in Other expenses is in line with increase in Revenues and volumes.

Balance Sheet Items

Increase in Property, Plant & Equipment:

The value increased from ₹18,154.96 lakhs in FY23 to ₹19,256.88 lakhs in FY24. This growth primarily due to the procurement of additional machinery / equipment worth about Rs. 1,584 lakhs which includes import of Equipment worth Rs.1,076.91.

Decrease in Other Non-current Assets:

Marginal decrease in Other non-current assets was mainly attributed towards the amortization of Intangible assets.

Increase in Trade Receivables:

Receivables rose significantly from ₹5,366.64 lakhs in FY23 to ₹7,265.33 lakhs in FY24 due to the significant billing in Q4 FY 2024.

Increase in Other Current Assets:

The amount increased from ₹1,694.93 lakhs in FY23 to ₹4,493.52 lakhs in FY24, primarily due to higher increased supplier advances.

Balance Sheet Items (Liabilities)

Increase in Non-current Borrowings:

The non-current borrowings increased substantially from ₹228.93 lakhs in FY23 to ₹1,250.00 lakhs in FY24, reflecting term loans raised during FY 2023-24 in which the instalments due beyond 12 months.

Decrease in Current Borrowings:

Current borrowings decreased from ₹8,071.44 lakhs in FY23 to ₹4,899.38 lakhs in FY24, indicating reduced reliance on short-term debt, due to the substantial advances worth received from various Customers.

Increase in Other Financial Liabilities:

Other financial liabilities rose slightly from ₹1,150.00 lakhs in FY23 to ₹1,330.78 lakhs in FY24, primarily due to increased creditors and Employee Benefit payable.

Increase in Other Current Liabilities:

Other current liabilities surged from ₹3,246.14 lakhs in FY23 to ₹9,964.71 lakhs in FY24, mainly reflecting higher advances worth about Rs.9,902 Lakhs received from various customers.

Segmental Performance

Defence & Space Services

PEL's Defense & Space services segment emerged as the primary growth driver in FY24, contributing ₹1,851 million to the total revenue, an 88% increase from FY23. Significant export orders and the successful execution of key contracts propelled the segment's growth. The company's strategic focus on high-energy materials, particularly for missile and space programs, has positioned it as a critical supplier for India's defence and aerospace needs.

Commercial Explosives

The Commercial Explosives segment, however, faced challenges, with revenue declining by 16% to ₹866 million in FY24. Despite the decline, PEL's focus on expanding its market reach and enhancing product offerings in the domestic and international markets provides a stable foundation for future growth.

Order Book and Revenue Visibility

PEL's order book at the end of FY24 stood at ₹9,647 million, approximately 3.6 times the revenue for the year, providing strong revenue visibility for the coming years. The company secured significant orders from central defence and space organisations, including BDL, L&T, MoD, Elbit, and IAI. These orders are expected to be executed over the next 9-18 months, ensuring a steady flow of revenue.

Statement on Internal Control Systems

Premier Explosives Limited has established robust internal control systems that are designed to ensure the accuracy and completeness of accounting records, safeguard assets, and ensure compliance with applicable laws and regulations. These systems include well-documented policies and procedures, regular audits, and a comprehensive risk management framework. The internal control systems are periodically reviewed and enhanced to adapt to changes in the business environment and to ensure that the company operates in a disciplined and efficient manner. The management continuously monitors the effectiveness of these controls and takes corrective actions whenever necessary to ensure the integrity of financial reporting and operational efficiency.

DIRECTORS' REPORT

Dear Members

Your directors are pleased to present the 44th annual report including the audited financial statements of your company for the year ended March 31, 2024.

1. Financial summary

(₹ in lakhs)

	Standalone		Consolidated	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Profit / (Loss) for the year				
Operating revenue	**27171.67**	**20,203.01**	**27171.67**	**20,203.01**
Other income	**405.04**	**215.66**	**414.86**	**216.58**
Total revenue	**27576.71**	**20,418.67**	**27586.53**	**20,419.59**
EBIDTA	**5850.31**	**2,581.54**	**5848.96**	**2,590.04**
% to Operating revenue	**21.53%**	**12.78%**	**21.53%**	**12.82%**
Profit / (Loss) before tax	**4024.65**	**895.69**	**4061.74**	**932.47**
Profit / (Loss) after tax	**2812.15**	**668.49**	**2841.76**	**696.52**
% to Total revenue	**10.20%**	**3.27%**	**10.30%**	**3.41%**
EPS (₹))	**26.15**	**6.22**	**26.37**	**6.42**
Appropriations				
Retained earnings at beginning of the year	**9331.21**	**8,824.00**	**9296.06**	**8,766.61**
Profit / (Loss) for the year	**2812.15**	**668.49**	**2835.66**	**690.73**
Non-controlling interest				
Dividend paid for previous year and tax thereon	**(182.79)**	**(161.28)**	**(182.79)**	**(161.28)**
Retained earnings at end of the year	**11960.57**	**9,331.21**	**11948.93**	**9,296.06**

2. State of affairs

The performance of the company has improved in terms of Revenues and profits during the year 2023-24. Operating EBIDTA has gone up from ₹ 2,581.54 Lakhs to ₹ 5850.31 lakhs and Profit before tax has increased to ₹ 4024.65 from ₹ 895.69 lakhs during previous year. Profit after tax stands at ₹ 2812.15 lakhs as compared to ₹ 668.49 lakhs for the year 2022-23. The Raw Material supplies and prices were stabilized during the year which will give positive impact in near future. The operations in commercial explosives improved significantly during the year.

Operations

Production of detonators was 11.55 million pieces as against 15.40 million pieces in previous year. The Company has executed several orders in defence during the year

Operations & maintenance contracts at Sriharikota has been satisfactory during the Financial Year 2023-24.

The production of bulk explosives increased to 8522 tonnes from previous year's 7,886 tonnes. The prices and supplies of Ammonium Nitrate have stabilized during the year which has been reflected in our overall performance during the year.

3. Capital expenditure

During the year the company incurred the capital expenditure of ₹ 1926.77 lakhs on fixed assets, ₹ 5.00 lakhs on right-of-use of asset and ₹ 126.60 lakhs on intangible assets .

4. Dividend

The Board of Directors of your company, at their Meeting held on May 30, 2024, has recommended payment of ₹ 2.50/- (Rupees Two and Fifty paise only) (25%) per equity share of ₹10/- each, as final dividend for the financial year ended March 31, 2024. 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 2023-24 would aggregate to ₹ 268.81 Lakhs.

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

5. Share capital and reserves

a) Stock Split

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

b) Alteration of AOA and MOA of the company

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

c) Share capital

During the year under review, there is no change in the Share Capital of the Company, which stood at ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Laths) equity shares having face value of ₹ 10/- each and he paid up Share Capital of the Company as on March 31, 2024 was ₹ 10,75,22,390/- divided into 1,07,52,239 equity shares of ₹ 10/- each fully paid up.

After the end of the financial year under review and as on the date of this report, the existing equity shares of the company have undergone sub-division/ split, such that 1 (one) equity share having face value of ₹ 10/- each, fully paid-up, was sub-divided/ split into 5 equity shares having face value of ₹ 2/- each, fully paid-up, ranking pari-passu in all respects with effect from June 21, 2024 ("Record Date")

Consequent to the stock split as mentioned above, as on the date of this report, the Authorised Share Capital of the Company stood at ₹ 15,00,00,000/- (Rupees Fifteen Crore only) divided into 7,50,00,000 (Seven Crore Fifty lakh) equity shares of ₹ 2/- each and the issued and paid-up capital of the Company is ₹ 10,75,22,390/- divided into 5,37,61,195 equity shares of ₹ 2/- each.

Apart from the above, the company has not raised any funds or issued further shares in the form of equity during the financial year ended on March 31, 2024.

d) Transfer to Reserves

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

6. Deposits

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

7. Change in the nature of business, if any

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

8. Material changes and commitments after the reporting period

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

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

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

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

Incorporated on July 15, 2016 PELNEXT is expected to be operated as a special purpose vehicle in defence explosives business. The company incurred a net loss of ₹ 0.90 lakh during 2023-24 (₹)0.90 lakh during 2022-23).

As on 31st March, 2024, Premier Explosives Limited held 10,000 Equity shares in PELNEXT representing 100% of equity share capital.

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

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

The company earned a net profit before tax of ₹ 37.99 lakhs during the year ended March 31, 2024 and the company has accumulated loss of ₹ 3.07 lakhs as at March 31, 2024 (Revenue of ₹ Nil lakhs and Net Loss of ₹ 33.58 lakhs during previous year).

As on 31st March, 2024, 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

The Registrar of Companies, Pune, has duly approved the strike-off application under Section 248 of the Companies Act, 2013, of BF Premier Energy Systems Private Limited, a joint venture between Premier Explosives Limited (PEL) and Kalyani Strategic Systems Limited (KSSL) (a wholly owned subsidiary of Bharat Forge Limited), vide letter No.STK-7/000147/2023 dated November 25, 2023.

Due to prolonged inoperativeness and the inability to achieve its intended objective, the joint venture partners – PEL and KSSL had initiated the strike off process as per statutory regulations and in compliance with the applicable laws. It may be noted that the strike-off action has no material impact on the financials or operations of the Company.

d) Consolidated financial statements

Pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations, the Consolidated Financial Statements prepared in accordance with the

Indian Accounting Standards, notified under the Act is attached to this report.

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

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

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

10. Future outlook

Your company received large orders in defence segment especially from counter measures during FY 2023-24. Your company has completed the designing and development orders of various kinds of Rocket Motors for overseas buyers. Your company has received supply orders for these products and executed part of the orders.

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.

The operations in Bulk explosives division are also getting stabilized with the existing supplies order from Singareni Collieries.

11. Board matters

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

Your Board of Directors hereby confirms that:

a) In the preparation of the annual accounts of the Company for the year ended March 31, 2024, 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, 2024 and of the profit and loss of the company for the year ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) adequate internal financial controls have been laid down, have been followed and have been operating effectively;

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

B. Declaration of independent directors

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

C. Board meetings

During the financial year 2023-24, Five (5) Board meetings were convened and held on 16thMay, 2023; 19th July, 2023; 1st September, 2023; 30th October, 2023 and 24thJanuary, 2024.

D. Board evaluation

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

E. Directors and Key Managerial Personnel

a. Directors

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

The Composition of the Board of Directors as on 31.03.2024 is as under:

Name	Designation
Dr. Amarnath Gupta	Chairman, Non-Executive Non Independent Director
Mr. T.V. Chowdary	Managing Director
Mr. Y Durga Prasada Rao	Director-Operations
Dr.(Mrs.) Kailash Gupta	Non-Executive Non Independent Director
Sri Anil Kumar Mehta	Non-Executive Independent Director
Sri P R Tripathi	Non-Executive Independent Director
Sri K. Rama Rao	Non-Executive Independent Director
Dr. A Venkataraman	Non-Executive Independent Director
Lt.Gen. P R Kumar (Retd.)	Non-Executive Independent Director
Mrs. Shonika Prasad	Non-Executive Non Independent Director

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independence of the Board:

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

1. Sri P R Tripathi (DIN:00376429)
2. Sri K. Rama Rao (DIN:02678860)
3. Sri Anil Kumar Mehta (DIN: 00040517)
4. Dr. A Venkataraman (DIN: 02669952)
5. Lt Gen. P R Kumar (DIN:07352541)

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

b. Retirement by Rotation

As per the provisions of the Companies Act, 2013, Mrs. Shonika Prasad (DIN:00250015) Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment.

The Board of Directors recommends her re-appointment at Item No. 3 of the Notice convening 44th Annual General Meeting of the Company for consideration of the shareholders along with brief details about her.

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 44th AGM, forming part of the Annual Report.

c. Appointment of Non-Executive Independent Directors:

After the end of the financial year under review and as on the date of this report, on the recommendation of Nomination and Remuneration Committee the Board have considered and approved the following:

i) Appointment of Dr. Narendra Kumar Nanda (DIN: 02455894) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (5) consecutive years commencing from August 13, 2024 at the meeting of Board of Directors held on July 18, 2024, subject to approval of members of the Company through Resolution on or before November 12, 2024.

ii) Appointment of Dr. Gnana Sekaran Venkatasamy (DIN: 02012032) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (5) consecutive years commencing from August 13, 2024 at the meeting of Board of Directors held on July 18, 2024, subject to approval of members of the Company through Resolution on or before November 12, 2024.

iii) Appointment of Mr. Ch Seshagiri Rao (DIN:10595215) as an Additional Director

(Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Five (5) consecutive years commencing from August 13, 2024 at the meeting of Board of Directors held on July 18, 2024, subject to approval of members of the Company through Resolution on or before November 12, 2024.

iv) Appointment of Dr.(Mrs.) Kumuda Raghavan (DIN:10698094) as an Additional Director (Non-Executive Independent Woman Director) of the Company, not liable to retire by rotation for a period of Five (5) consecutive years commencing from August 13, 2024 through Circular Resolution dated August 12, 2024, subject to approval of members of the Company through Resolution on or before November 12, 2024.

d. Cessation of Directors:

After the end of the financial year under review and as on the date of this report, the following Directors ceased to be Non-Executive Independent Directors of your Company:

1. Sri Prabhakar Ram Tripathi (DIN: 00376429), Non-Executive Independent Director of the Company has completed his second term on August 12, 2024 and accordingly ceased to be an Independent Director of the Company with effect from August 13, 2024.

2. Sri Anil Kumar Mehta (DIN: 00040517), Non-Executive Independent Director of the Company has completed his second term on August 12, 2024 and accordingly ceased to be an Independent Director of the Company with effect from August 13, 2024.

3. Sri K. Rama Rao (DIN: 02678860), Non-Executive Independent Director of the Company has completed his second term on August 12, 2024 and accordingly ceased to be an Independent Director of the Company with effect from August 13, 2024.

4. Dr. A Venkataraman (DIN: 02669952), Non-Executive Independent Director of the Company has completed his second term on August 12, 2024 and accordingly ceased to be an Independent Director of the Company with effect from August 13, 2024.

Key Managerial Personnel ('KMP'):

Pursuant to the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following have been designated as Key Managerial Personnel of the Company:

Mr. T.V. Chowdary, Managing Director

Mr. Srihari Pakalapati, Chief Financial Officer

Mrs. K. Jhansi Laxmi, Company Secretary.

No changes were made in the Directors and Key Managerial Personnel, and the Company is in compliance with the required provisions of the Act and Listing Regulations during the year under review.

F. Committees of the Board

As required under the Act, and the Listing Regulations, the Board has constituted the following Committees:

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

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

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

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

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

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

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

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

a) Criteria for appointment of directors

Director must have relevant experience in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to company's business.

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

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

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

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

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

b) Policy on directors' remuneration

i. Policy

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

ii. Components of remuneration

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

iii. Fixed remuneration

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

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

iv. Variable remuneration

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

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

v. Statutory benefits

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

vi. Perquisites and other benefits

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

vii. Increments

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

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

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

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

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

viii. Remuneration to Independent and Non-Executive Directors

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

ix. Service contracts, notice period and severance fees:

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

None of the directors is eligible for severance pay.

H. Formal annual evaluation by the Board

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

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

During the year under review, your Company transferred unclaimed dividend amount of ₹ 3,34,860.00 (pertaining to interim dividend for the financial year 2015-16) 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 4,602 shares to IEPF Authority, in respect of which dividend had remained unclaimed for a consecutive period of 7 years. Details of the shares transferred to IEPF Authority have been uploaded on website of the Company.

13. Auditors

a) Independent Auditors

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

b) Internal Auditor

In terms of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. R S N L & Associates, Chartered Accountants, as Internal Auditors to conduct Internal Audit of the Company for the financial year 2024-2025

c) Cost Auditor

The Company has maintained cost records for relevant products prescribed by the Central Government under the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014. These records have been audited by M/s. S.S.Zanwar & Associates, Cost Accountants during the financial year 2023-24.

The Board of Directors of the Company, on the recommendations of the Audit Committee, have re-appointed M/s S. S. Zanwar & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the cost records of certain products for the financial year for 2024-25 and M/s. SS Zanwar & Associates, Cost Accountants being eligible have consented to act as the Cost Auditors of the Company for the financial year 2024-25.. As per the provisions of Section 148(3) of the Companies Act, 2013, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors' remuneration is being placed before the Members for their ratification.

d) Secretarial auditor

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors have re-appointed Mr. K.V. Chalama Reddy, K.V.C. Reddy & Associates, Company Secretaries as Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2024-25. They have confirmed their eligibility for the re-appointment.

14. Independent auditors' report

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement of the Company for the financial year ended March 31, 2024 does not contain any qualification, reservation, adverse remark or any disclaimer.

Reporting of fraud

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

15. Credit Rating

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

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

b) Short Term Rating – '[ICRA] A2'

16. Management discussion and analysis Report

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

17. Corporate governance

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

18. Secretarial audit report

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board has appointed Mr. K.V. Chalama Reddy, K.V.C. Reddy & Associates, Company Secretaries, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith as **Annexure-6.** There are no qualifications, observations or adverse remarks, or disclaimers in the said report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2023-24 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by Mr. K.V. Chalama Reddy, K.V.C. Reddy & Associates, Company Secretaries, Hyderabad has been submitted to the Stock Exchanges within the specified time.

Compliance with Secretarial Standards

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

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

The Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure- 7** to this Report.

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

Your company

a) has not given any loan to any person or other body corporate other than usual advances for supply of materials and services

b) has not given any guarantee or provide security in connection with a loan to any other body corporate or person and

c) has not acquired the securities of any other body corporate by way of subscription, purchase or otherwise, exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

21. Particulars of contracts or arrangements with related parties

All related party transactions entered by the Company during the financial year 2023-24 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, 2024 in prescribed Form AOC-2 is annexed herewith as **Annexure – 8** to this Report.

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

22. Risk management policy

Your company recognizes Risk Management as a very important part of business and has kept in place necessary policies, procedures and mechanisms. The company proactively identifies monitors and takes precautionary and mitigation measures in respect of various risks that threaten the operations and resources of the company.

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

23. Vigil mechanism policy

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

24. Corporate social responsibility (CSR) activities

During the year 2023-24, your company has spent an amount of ₹ 1.92 lakhs (₹ 8.87 lakhs in previous year) on CSR activities, against the minimum mandatory amount of ₹ 1.28 Lakhs (Nil in previous year), being 2% of average profit for the last three years.

Details of CSR activities are given in **Annexure - 9.**

25. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Nirbhaya Act)

There are 67 women employees in your company as on March 31, 2024 (66 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 - 10.**

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

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

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

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

Your company has in place adequate internal financial controls with reference to financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and aid in the timely preparation of reliable financial statements.

28. Annual Return

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

29. Other Disclosures

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

30. 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.

31. Listing on stock exchanges

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

32. Human Resources and Industrial relations

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

33. Acknowledgements

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

For and on behalf of the Board

	Dr. A.N. Gupta	**T.V. Chowdary**
Secunderabad	Chairman	Managing Director
30.08.2024	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 2023–Mar 2024, same as for holding company	Apr 2023–Mar 2024, same as for holding company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
5	Sharecapital	650.00	1.00
6	Reserves and surplus/Otherequity	(1.57)	(5.92)
7	Total assets	676.28	0.11
8	Total Liabilities	27.85	5.03
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	37.99	(0.90)
12	Provision for taxation	(7.48)	-
13	Profit after taxation	30.51	(0.90)
14	Proposed Dividend	-	-
15	Extent of shareholding	80%	100%

Note:

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

(₹ in lakhs)

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

N*ote:*

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None
3. During the year, the strike –off application under Section 248 of the Companies Act, 2013 of BF Premier Systems Private Limited, (50% jointly controlled entity), has been approved by the Registrar of Companies, Pune vide letter No. STK-7/000147/2023 dated 25/11/2023.

ANNEXURE-2
REPORT ON CORPORATE GOVERNANCE

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

I. Corporate Governance

1. Company's philosophy

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

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

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

2. Board of directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As on 31st March, 2024, the Company comprises of Ten Directors, of which Five are Non-Executive Independent Directors, Three are Non-Executive Non-Independent Directors (including Woman Directors) and Two Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

a. Composition and category of Directors:

The Board of Directors of the Company headed by a Non-executive Chairman consists of the following Directors as on March 31, 2024:

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

* Independent Non-Executive Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f August 13, 2024.

b. Attendance of Directors at the Board Meetings held during the year ended March 31, 2024 and the last Annual General Meeting (AGM) are given below:

Name of the Director	No. of Board Meetings		Attendance at AGM held on September 29, 2023 (Yes/No)
	Held during tenure	Attended	
Dr. A.N.Gupta	5	4	Yes
Mr.T.V.Chowdary	5	5	Yes
Mr.Y. Durga Prasad Rao	5	5	Yes
Dr. (Mrs.) Kailash Gupta	5	5	Yes
Mr. P.R.Tripathi	5	5	No
Mr. Anil Kumar Mehta	5	5	Yes
Mr. K. Rama Rao	5	5	Yes
Dr. A. Venkataraman	5	5	No
Lt.Gen. P.R.Kumar (Retd)	5	3	No
Mrs. Shonika Prasad	5	5	Yes

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

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

The number of Directorships and Memberships in the Committees of Other Companies held by the Directors in other public companies as on 31st March, 2024 and details of directorships in other listed entities are given below.

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

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

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

d. Particulars of directorships in other companies

Name of the Director	Name of the Company	Position
Dr. A.N.Gupta	BF Premier Energy Systems Private Limited (Strike off on 25/11/2023)	Director
	PELNEXT Defence Systems Private Limited	Director
Mr.T.V.Chowdary	Premier Wire Products Limited	Director
	Octane Chemicals Private Limited	Director
	BF Premier Energy Systems Private Limited (Strike off on 25/11/2023)	Director
	PELNEXT Defence Systems Private Limited	Director
Dr. (Mrs.) Kailash Gupta	Premier Wire Products Limited	Director
Mr. Anil Kumar Mehta	None	None
Mr. P.R.Tripathi	Minman Consultancy Services Private Limited	Director
Mr. K. Rama Rao	None	None
Dr. A. Venkataraman	None	None
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited	Director
Mr. Y. Durga Prasada Rao	Premier Wire Products Limited	Director
Mrs. Shonika Prasad	None	None

e. Positions in Committees of all companies

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

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

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

The Board of Directors met five (5) times during the Financial Year from 01st April, 2023 to 31st March, 2024. 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:

16th May, 2023; 19th July, 2023 01st September, 2023, 30th October, 2023, and 24th January, 2024.

g. Disclosure of relationship between directors inter se

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

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

Name	Category	No. of Equity Shares held as on 31.03.2024
Dr. Amarnath Gupta	Non Executive & Non Independent Director	26,20,183
Dr. (Mrs.) Kailash Gupta	Non Executive & Non Independent Director	11,67,467
Mr. Anil Kumar Mehta	Non Executive & Independent Director	4,000
Mr. P.R.Tripathi	Non Executive & Independent Director	Nil
Mr. K. Rama Rao	Non Executive & Independent Director	Nil
Mr. A. Venkataraman	Non Executive & Independent Director	Nil
Lt.Gen. P.R.Kumar (Retd)	Non Executive & Independent Director	9
Mrs. Shonika Prasad	Non-Executive Non-Independent Director	Nil

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

In every quarter during the year 2023-24

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

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

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

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

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

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

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

Board Skill Matrix

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

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

k. Confirmation as regards independence of Independent Directors

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

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

Not Applicable

1. Audit Committee

a. Brief description of Terms of reference

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

A. Role of Audit Committee includes

i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Review and recommending to the Board, of the appointment, re-appointment and, if required, the replacement or removal of statutory auditors and fixation of audit fees.

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv. Reviewing with the management, the annual financial statements, before submission to the Board for approval, with particular reference to -

1. Matters required to be included in the Director's Responsibility Statement to be included in the Board report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
2. Change, if any, in accounting policies and practices and reasons for the same.
3. Major accounting entries involving estimates based on the exercise of judgment by management.
4. Significant adjustments made in the financial statements arising out of audit findings.
5. Compliance with listing and other legal requirements relating to financial statements.
6. Disclosure of any related party transactions.
7. Modified opinion (s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

vi. Reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.

vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.

viii. Approval of any subsequent modification of transactions of the Company with related parties.

ix. Scrutiny of inter-corporate loans and investments.

x. Valuation of undertakings or assets of the listed entity, wherever it is necessary.

xi. Evaluation of internal financial controls and risk management systems

xii. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

xiv. Discussion with internal auditors of any significant findings and follow up thereon.

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

xvii. To look into reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

xviii. To review the functioning of the whistle blower mechanism

xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xxi. To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsdiary, whichever is lower including existing loans / advances / investments.

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

1. Monitoring the end use of funds raised through public offers and related matters.
2. 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

* Independent Non-Executive Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f August 13, 2024.

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, 2024

During the year, the Committee held five (5) meetings on 16th May, 2023; 19th July, 2023; 01st September, 2023; 30th October, 2023; and 24th January, 2024..

Attendance at the Audit Committee Meetings:

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

The Chairman of the Audit Committee Mr. P.R. Tripathi, who could not attend the meeting due to some health issue, has authorized Sri Anil Kumar Mehta to represent on his behalf, as required and in compliance with the provisions of the Companies Act, 2013, who attended the last Annual General Meeting held on September 29, 2023.

2. Nomination and remuneration committee

a. Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  a. Use the services of an external agencies, if required;

  b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and

  c. Consider the time commitments of the candidates.

- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- Devising a policy on Board Diversity
- Extension or continuing the term of appointment of the Independent Director, on the basis of the report of the performance evaluation of independent directors
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

b. Composition, members and chairperson

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

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

* Independent Non-Executive Directors of the Company have completed their second term of five consecutive years on August 12, 2024 and accordingly ceased to be Independent Directors of the Company w.e.f August 13, 2024.

c. Committee meetings and attendance during the year

During the year, the Committee held 2 (two) meetings on 16th May, 2023 and 01st September, 2023.

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

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

d. Nomination and Remuneration policy

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

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

e. Criteria for performance evaluation

Performance evaluation criteria for Independent Directors

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

Executive Directors

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

3. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 24th January, 2024. At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

4. Succession planning

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

5. Remuneration of Directors

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

b. Apart from the sitting fees, Non-Executive Directors are not paid any remuneration/Commission except to Dr. Amarnath Gupta, who was appointed as Non-Executive Chairman w.e.f. February 14, 2022. The details of the remuneration/sitting fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the year 2023-24 are as follows:

S. No.	Name of the Director	Amount of Sitting fees (Rs. in lakhs)
1.	Dr. (Mrs.) Kailash Gupta	1.63
2.	Mr. Anil Kumar Mehta	2.33
3.	Mr. P.R.Tripathi	1.92
4.	Mr. K. Rama Rao	1.82
5.	Dr. A. Venkataraman	1.13
6	Lt.Gen. P.R.Kumar (Retd)	0.67
7	Dr. Amarnath Gupta	66.70*
8	Mrs. Shonika Prasad	1.13

*Note: Sitting fees includes remuneration and commission @ 1% of Net Profits for the financial year 2023-24.

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, 2024 is as follows:

S. No.	Name of the director	Salary & allowances	Benefits	Commission	Bonus	Pension	Total
Executive directors							
1	Mr.T.V.Chowdary	102.96	20.02	41.30	-	-	164.28
2	Mr. Y. Durga Prasad Rao	49.42	9.71	20.65	-	-	79.78
Total		**152.38**	**29.73**	61.95	-	-	**244.06**

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

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

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

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

b. Name and designation of the Compliance Officer

Mrs. K. Jhansi Laxmi, Company Secretary

c. Number of Shareholder's complaints received

During the year under review, the Company has received one (1)l 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, 2024.

Terms of Reference

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Such other matters as may be specified by the Board from time to time or specified / provided under the Companies Act, 2013 and rules made thereunder & SEBI Listing Regulations, or such other regulation prescribed by SEBI from time to time.

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorized by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Anil Kumar Mehta was present at the 43rd Annual General Meeting of the Company held on 29th September, 2023.

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

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

b. Committee meetings and attendance during the year

During the year the Committee held one meeting on 01st September, 2023.

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	0

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2024 is attached as Annexure 9 to the Board's Report.

8. Particulars of Senior Management

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

Sr. No.	Name of the Senior Management Personnel	Designation
1	Mr. T.V. Chowdary	Managing Director
2	Mr. Y. Durga Prasad Rao	Director-Operations
3	Mr. Srihari Pakalapati	Chief Financial Officer
4	Mrs. K. Jhansi Laxmi	Company Secretary

9. General Body Meetings

a. Details of the last three AGMs are as follows

Year	Date & Time	Venue	Special resolutions passed
43rd AGM 2022-23	September 29, 2023 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director
42nd AGM 2021-22	September 16, 2022 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Appointment / continuation of Directorship of Dr.(Mrs.) Kailash Gupta as Non-Executive Non-Independent Director ii) Reappointment of Mr. Y. Durga Prasada Rao (DIN:08072805) as Wholetime Director iii) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director
41st AGM 2020-21	September 29, 2021 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Reappointment of Lt. Gen. P R Kumar (DIN:07352541) as an Independent Director for a second term of five consecutive years.

b. Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year 2023-24.

c. Postal Ballot:

During the financial year 2023-24, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website, at www.pelgel.com.

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

10. 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.

11. General shareholder information

a. 44th AGM, date, time and Venue/Mode	Friday, the 27th September 2024 at 11.30 a.m. Mode: audio-visual means

b. Financial year: April 1, 2024 to March 31, 2025 Tentative schedule for considering financial results:

For the quarter ended June 30, 2024:	July, 2024
For the quarter ending September 30, 2024:	October/November, 2024
For the quarter ending December 31, 2024:	January/February, 2025
For the quarter / year ending March 31, 2025:	April/May, 2025

Book Closure dates

The dates for book closure are from 21st September, 2024 to 27th September, 2024 (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

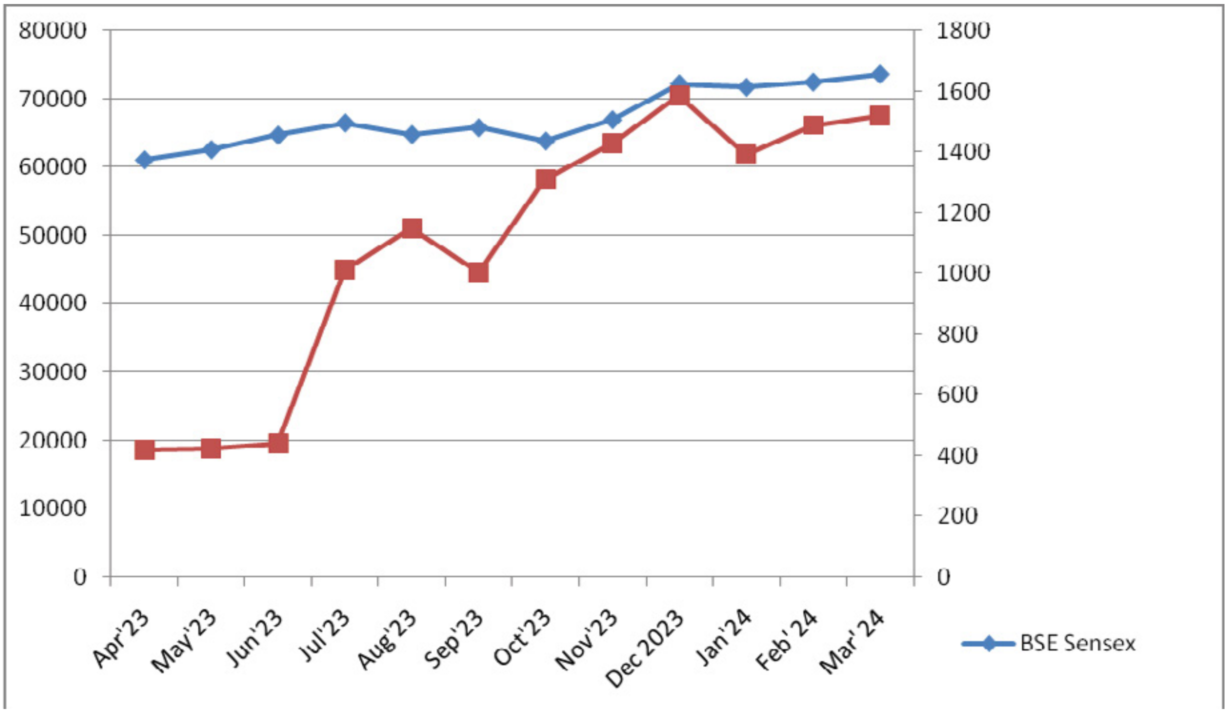
Name and Address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400001	526247
National Stock Exchange of India Limited Exchange Plaza, Floor 5, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai-400051	PREMEXPLN EQ

The Annual listing fee for the financial year 2023-24 has been paid to both the Stock Exchanges.

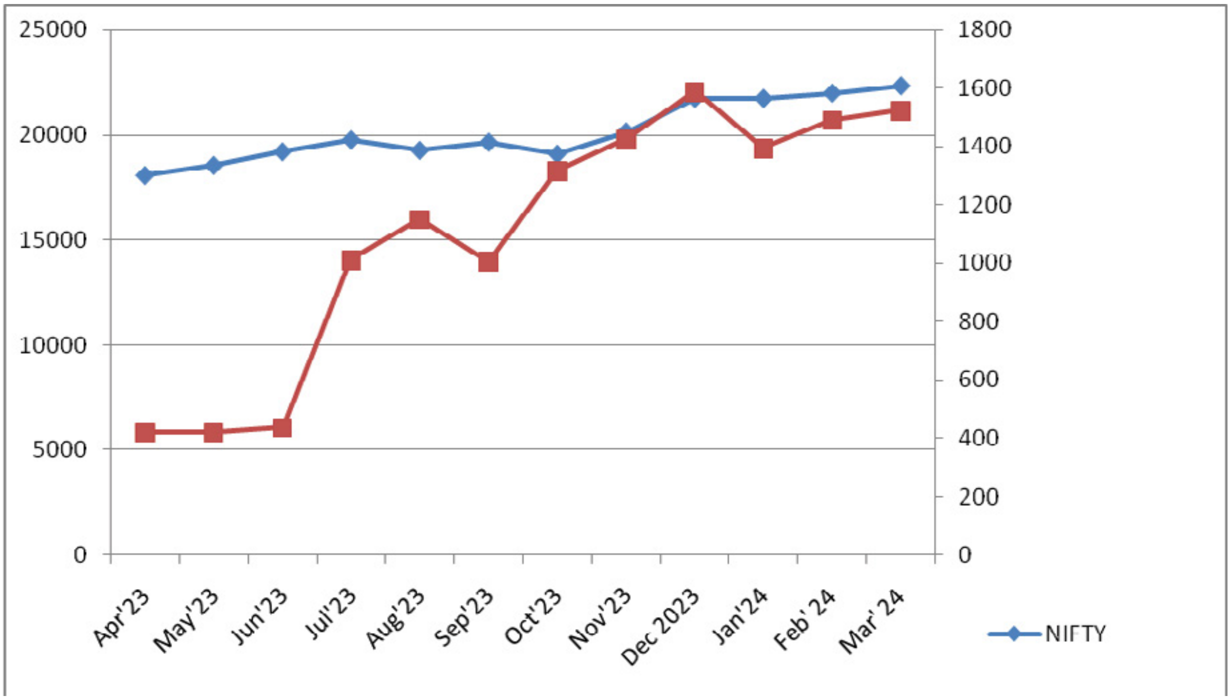
e. Stock Market price Data - High / Low during each month during the year 2023-24 Monthly high and low quotations on the BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE)

	BSE		NSE	
Month/Year	High	Low	High	Low
April 23	429.75	396.05	429.00	396.80
May 23	483.00	404.85	484.00	401.25
June 23	457.00	412.45	459.00	412.70
July 23	1012.55	430.00	1010.25	430.05
August 23	1220.55	944.30	1218.00	943.15
September 23	1174.85	975.20	1180.00	970.00
October 23	1308.45	976.00	1321.10	980.05
November 23	1536.95	1180.00	1546.10	1170.00
December 23	1687.85	1377.00	1669.00	1376.65
January 24	1661.05	1268.70	1660.00	1267.00
February 24	1609.90	1330.05	1610.00	1336.50
March 24	1687.00	1315.55	1689.00	1320.05

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 Nifty is as follows:



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

h. Registrar and Share Transfer Agents

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

i. Share transfer system

In terms of regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. They are processed and the share certificates/ Letter of Confirmation are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The company obtains from a Company Secretary in practice, certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and files a copy of the said certificate with the Stock Exchanges.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfer of equity shares in electronic form is effected through the depositories with no involvement of the Company.

j. Instruction to Members

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

k. Distribution of shareholding as on 31.03.2024

S. No	Category of Shares	No of Shareholders	% to no.of share holders	No of Equityshares held	% of Shareeholding
1	1 –500	23,991	96.22	12,65,310	11.77
2	501 – 1000	462	1.86	3,55,007	3.30
3	1001 – 2000	221	0.89	3,27,737	3.05
4	2001 – 3000	88	0.35	2,20,125	2.05
5	3001 – 4000	32	0.13	1,14,838	1.07
6	4001 – 5000	26	0.10	1,19,071	1.11
7	5001 – 10000	47	0.19	3,38,631	3.15
8	10001 - 20000	30	0.12	4,07,217	3.79
9	20001 & above	36	0.14	76,04,303	70.71
	Total	**24,933**	**100.00**	**1,07,52,239**	**100.00**

Shareholding pattern as on March 31, 2024

Category	No of shares	% of shareholding
Promoters	44,44,347	41.33
Mutual Funds	9,99,003	9.29
Foreign Portfolio Investors	29,076	0.27
Resident Individuals	34,62,775	32.21
Non Resident Indians	3,53,893	3.29
Alternative Investment Fund	1,05,558	0.98
Bodies Corporate	11,03,557	10.27
IEPF Authority	96,045	0.89
HUF	1,56,055	1.45
Trusts	1,930	0.02
Total	**1,07,52,239**	**100.00**

l. Dematerialisation of shares and liquidity

Your Company's shares are compulsorily tradable in the electronic form only. The International Securities Identification Number (ISIN) allotted to your shares under the Depository system is INE863B01011. Equity shares of the Company representing 99.13 % of the Company's equity share capital are dematerialized as on 31st March, 2024, and the rest in physical form.

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

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

Shares held in demat and physical mode as on March 31, 2024 are as follows:

Mode of holding	No. of shares	% to Equity
Physical	93,509	00.87
Electronic - NSDL	78,09,809	72.63
- CDSL	28,48,921	26.50
Total	1,07,52,239	100.00

m. Outstanding GDRs/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity

The company has not issued any GDRs/ADRs/ Warrants or any convertible instrument, which is likely to have impact on the Company's equity.

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

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

o. Plant locations

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

p. Address for correspondence

PREMIER EXPLOSIVES LIMITED,
'Premier House', 11, Ishaq Colony,
Near AOC Centre, Secunderabad-500015, Telangana Ph: 040-66146801-05, Fax: 040-27843431
E-mail: investors@pelgel.com Website: www.pelgel.com

q. Credit ratings

ICRA Limited has reaffirmed the credit rating outlook for Line of Credit (LOC) of the Company, long-term credit rating of '[ICRA] [BBB+] (Stable)' and short term credit rating to '[ICRA] [A2]'. These ratings are valid till August, 2025.

12. 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 2023-24 have been at Arm's length basis and reported in Form AoC-2 attached as Annexure -8 to the Board's Report

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

c. 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, 2024

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, 2024.

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

A Certificate from a Practicing Company Secretary stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report as Annexure-5.

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

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

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

M/s. Majeti & Co., Chartered Accountants are the statutory auditors of the Company. The total fees/paid/payable to the statutory auditors by the company for the year ended March 31, 2024 is given below. They are not auditors for any of the group companies and they are also not part of any network of audit firms.

S. No.	Description of fees paid	Amount (Rs. in lakhs)
1	Statutory audit fees paid	8.50
2	Fee paid for quarterly reviews	7.50
3	Fee paid for certifications	3.00
4	Fee paid for GST matters	3.00
5	Reimbursement of expenses	1.59
	Total fees paid	**23.59**

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

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

m. The Company has complied with 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, 2024.

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/pms.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 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 4,602 equity shares into Investor Education and Protection Fund Authority Account during the financial year ended March 31, 2024.

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

III. Disclosure of certain typs of Agreements binding the Company:

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

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

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

For and on behalf of the Board

Dr. A.N.Gupta
Chairman
DIN: 00053985

Secunderabad
30.08.2024

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, 2024.

For Premier Explosives Limited

T V Chowdary
Managing Director
DIN: 00054220

Secunderabad
30.08.2024

ANNEXURE-3

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

To the Members of

PREMIER EXPLOSIVES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated October 16, 2023

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, 2024, 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, 2024.

6. We conducted our examination in accordance with the Guidance Note on Certificates for Special purposes, Guidance note on Certificate of Corporate Governance, both issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate.The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

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

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN No: 24220354BKAMTW2755

Place : Hyderabad
Date: August 30, 2024

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, 2024 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, 2024 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
30.08.2024	DIN: 00054220	

ANNEXURE-5

To
The Members
Premier Explosives Limited
Hyderabad

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

I, K.V.Chalama Reddy, Proprietor, K V C Reddy & Associates, Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Premier Explosives Limited (CIN:L24110TG1980PLC002633) having its Registered Office at 'Premier House, #11 Ishaq Colony, Near AOC Centre, Secunderabad-500015, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2024.

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, 2024:

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

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

K.V.Chalama Reddy
(Proprietor)
Practising Company Secretary
F.C.S .: 9268, C.P : 5451
Peer Review No : 2301/2022
UDIN: F009268F001041530

Place: Hyderabad
Date: 30.08.2024

ANNEXURE-6

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2024
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, 2024 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, 2024 ("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

3. I, further report that:

   a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. There were no changes in the composition of the Board of Directors during the year under review.

   b. Adequate Notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were being sent at least 7 days in advance, wherever possible. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

4. I, further report that there exist adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

5. The compliance by the Company of applicable financial laws such as Direct and Indirect tax laws have not been reviewed thoroughly in this audit, since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

6. I, further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines having a major bearing on the company's affairs.

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

K.V.Chalama Reddy
(Proprietor)
Practising Company Secretary
F.C.S .: 9268, C.P : 5451
Peer Review No : 2301/2022
UDIN: F009268F001041541

Place: Hyderabad
Date: 30.08.2024

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.

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

K.V.Chalama Reddy
(Proprietor)
Practising Company Secretary
F.C.S .: 9268, C.P : 5451
Peer Review No : 2301/2022
UDIN: F009268F001041541

Place: Hyderabad
Date: 30.08.2024

ANNEXURE-7

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

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

A	**Conservation of energy (Form 'A')**			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)	**2023-24**	**2022-23**
		Capital		**0.00**	0.00
		Recurring		**39.25**	40.51
		Total		**39.25**	**40.51**
		R & D expenditure as % of total revenue		**0.14%**	0.20%
	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**			**2023-24**	2022.23
	Earnings			**6978.77**	3344.58
	Outgo			**2720.46**	4446.25

For and on behalf of the Board

	Dr. A.N.Gupta	**T.V Chowdary**
Secunderabad	Chairman	Managing Director
Date: 30.08.2024	DIN: 00053985	DIN: 00054220

ANNEXURE-8

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

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

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

Form no. AOC-2

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

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

1	**Details of contracts or arrangements or transactions not at arm's length basis:**		No such transactions
2	**Details of contracts or arrangements or transactions at arm's length basis:**		
	a)	Name(s) of the related party and nature of relationship	Premier Wire Products Limited, a subsidiary company
	b)	Nature of contracts/ arrangements/ transactions	Payment of rent
	c)	Duration of the contracts/ arrangements/ transactions	April 2023 - March 2024
	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	16.05.2023
	f)	Amount paid as advances, if any	NIL
II	**Details of contracts or arrangements or transactions at arm's length basis:**		
	a)	Name(s) of the related party and nature of relationship	Dr Amar Nath Gupta
	b)	Nature of contracts/ arrangements/ transactions	Purchase of Land
	c)	Duration of the contracts/ arrangements/ transactions	April 2023 -March 2024
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment for Land purchase: ₹ 162 lakhs
	e)	Date(s) of approval by the Board, if any	16.05.2023
	f)	Amount paid as advances, if any	₹ 112 Lakhs

ANNEXURE-9

Annual Report on CSR Activities for Financial Year 2023-24

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

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

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

2. Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Polciy. The members of the CSR committee as on March 31, 2024 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	0
3	Mr. T.V. Chowdary	Member (Executive Director)	1	1

* Mr. P.R.Tripathi, Independent Director has completed his second term of Five Consecutive years on August 12, 20224 and accordingly cease to be Independent Director of the company w.e.f. August 13, 2024

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): ₹ 64.11 lakhs

7. a. Two percent of average net profit of the company as per section 135(5): 1.28

   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: NIL

   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
1.92	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 imple-mentation Direct (Yes/No)	Mode of Imple-mentation Through Implementing Agency
				State / District						**Name / CSR Registration No.**
1	Stipend to students	Item No. (ii) Education	Yes	Telangana/ Bhuvangiri Yadadri District	Year	1.28	1.92	NIL	No	Directly by the company
TOTAL						**1.28**	**1.92**			

(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): ₹ 1.92 Lakhs**

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

(In ₹ Lakhs)

S.No.	Particulars	Amount
1	Two Percent of average net profit of the company as per section 135(5)	1.28
2	Total amount spent for the Financial Year	1.92
3	Excess amount spent for the financial year [(ii)-(i)]	0.64
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)]	0.64

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

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

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

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

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

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

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

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

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

Dr. (Mrs.) Kumada Raghavan
Independent Director
Chairman of CSR Committee
DIN: 10698094

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

Place: Secunderabad
Date: 30.08.2024

ANNEXURE-10

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 (01.01.2023 to 31.12.2023)	From 01.01.2024 till date of the report
No. of complaints of sexual harassment received during the year	-	-
No. of complaints of disposed off during the year	-	-
No. of cases pending for more than 90 days	-	-
No. of workshops or awareness programmes carried out against sexual harassment	2	1
Nature of action taken by the employer or district officer	NA	NA

ANNEXURE-11

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) 2023-24	Amount of remuneration paid for the year (₹ Lakhs) 2022-23	Increase / (decrease) (₹ Lakhs)	Increase / (decrease) %	Ratio to median remuneration of employees
1	Dr. A N GUPTA	Chairman	65.30	46.06	19.24	41.77	1.69
2	T V CHOWDARY	Managing Director	164.28	123.78	40.50	32.72	4.25
3	Y DURGA PRASADA RAO	Director - Operations	79.78	54.38	25.41	46.81	2.06
4	SRIHARI PAKALAPATI	Chief Financial Officer (KMP)	32.17	27.41	4.76	17.37	0.83
5	K JHANSI LAKSHMI	Company Secretary (KMP)	15.61	12.68	2.93	23.10	0.40

1. Median remuneration of the employees was ₹ 4.55 lakhs during the 2023-24 and ₹ 4.23 lakhs during 2022-23.
2. Median remuneration of employees during 2023-24 has remained static compared to the amount during 2022-23
3. Number of permanent employees on the rolls of the company as on 31.03.2024 was 841 (822 as on 31.03.2023).
4. 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 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 2023-24

No.	Employee name	Designation	Remuneration (₹ in lakhs)	Nature of employment - contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last date of and designation	No. and % of equity shares held at year-end	Relationship to any other director
1	A.N. Gupta	Chairman	65.30	Contractual	M.Sc.,D.Sc., 14-Feb-80 56 years 14-Apr-45 79years	I.E.L.Limited, Area Sales Manager	26,05,086 24.3%	Dr. (Mrs.) Kailash Gupta is his Wife & Mrs. Shonika Prasad is his Daughter
2	T.V.Chowdary	Managing Director	164.28	Contractual	B.Sc. B.Tech (Petroleum) 25-May-89 41 years 16-Aug-57 67 years	STP Limited Production Manager	31,458 0.29%	None
3	Y.Durga Prasada Rao	Director-Operations	79.78	Contractual	B.E. Mechanical 01-Jul-89 38 years 20/05/1963 61 years	Rohini Refractories Ltd Mechanical Engineer	-	None
4	Srihari Pakalapati	Chief Financial Officer	32.17	Permanent	FCA 24/05/2021 26 years 12/08/1971 53 years	Asian Group (Entertainment and Construction) Chief Financial Officer Head of Accounts & Finance Department	-	None

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 date of and designation	No. and % of equity shares held at year-end	Relationship to any other director
5	Shailendra Pathak	President (Marketing)	36.86	Permanent	B.Tech, MBA, PGDPM (HR&IR) 01-Oct-16 36 years 57 years	TRC Wall Pak Ltd Plant Head	-	None
6	Indraneel Deb	Vice President (Defence)	32.21	Permanent	M.Tech, (Aerospace), Armed Forces Programme (IIIM) 2-Feb-16 31 years 06-Sep-69 54 years	Reliance Defence & Engineering Ltd DGM (Guns & Missiles)	-	None
7	Gangraj Tadinada	Vice President (Marketing)	35.54	Permanent	BSc. & MBA (Mktg) 19 Feb-2020 29 years 16 Nov-1970 54 years	DCW Limited General Manager (Marketing)	5 0.00%	None
8	S.Janardhan	Vice President	24.19	Permanent	B. Tech & MBA(HR) 27 Feb-1995 28 Years 03 July1968 55 Years	-	-	None
9	T Raghuveer	General Manager	17.76	Contractual	B.Sc Safety PG Diploma 08 May 1963 62 Years	-	-	None

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Premier Explosives Limited

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Premier Explosives Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policy information 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, 2024, 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, 12.40% 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, 2024 – 7,265.33 lakhs – which is 67.83% 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, 2024. • 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, 2024 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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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 31,2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 long-term contracts as at March 31, 2024 for which there are no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2024;

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 46 to the standalone Ind AS financial statements

a) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

b) The company has not issued any interim dividend during the year.

c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 24220354BKAMTI5989

Place: Hyderabad
Date: May 30, 2024

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, 2024 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, 2024, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 24220354BKAMTI5989

Place: Hyderabad
Date: May 30, 2024

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 excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not more than 10% in aggregate for each class of inventory and have been appropriately dealt with in the books of account.

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

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

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

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

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

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

(In Lakhs)

	Related Parties
Aggregate amount of loan outstanding	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of repayment (B)	-
- No agreement and Repayable on demand (C)	4.12
Total (A+B+C)	**4.12**
Percentage of loans	**100%**

iv According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loan given and investments made.

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

vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Income tax, Provident fund, Customs Duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of employees' state insurance and Professional Tax 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, 2024, 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	Honorable High Court of Telangana	2007-08	151.31
Tamil Nadu Value Added tax, 2006	Value Added tax,	Honorable High Court of Judicature at Madras	2009-10 to 2015-16	424.52

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

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

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

B. Loans Includes an amount of Rs. 942.49 lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.

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

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

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

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

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

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

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

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

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

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

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

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

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

xiv a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv The Company has not entered into any noncash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii The company has not incurred cash losses during the immediately preceding financial year and the current financial year.

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

xix According to the information and explanation given to us and on the basis of the financial Ratios (Also Refer Note 43 to the Ind AS Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by, the Company as and when they fall due.

xx The company has spent the requisite amount during the year as Corporate Social Responsibility under Section 135 of the Act.

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

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN: 24220354BKAMTI5989

Place: Hyderabad
Date: May 30, 2024

BALANCE SHEET
as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars				Note	As at March 31, 2024	As at March 31, 2023
	ASSETS					
I	**Non-current assets**					
	(a)	Property, plant and equipment		3(a)	19,070.94	18,154.96
	(b)	Right -of- use assets		3(b)	79.47	75.31
	(c)	Capital work-in-progress		3(a)	309.37	181.50
	(d)	Investment property		4	8.02	8.02
	(e)	Intangible assets		5	690.41	707.16
	(f)	Financial assets				
		(i)	Investments	6	521.00	521.00
	(g)	Income tax assets (net)		8	-	66.64
	(h)	Other non-current assets		9(i)	322.94	453.14
	Total non-current assets				**21,002.15**	**20,167.73**
II	**Current assets**					
	(a)	Inventories		10	8,787.01	7,974.01
	(b)	Financial assets				
		(i)	Trade receivables	11	7,265.33	5,366.64
		(ii)	Cash and cash equivalents	12	2,015.67	35.82
		(iii)	Bank balances other than (ii) above	13	904.67	662.65
		(iv)	Loan	7	4.12	3.87
	(c)	Other current assets		9(ii)	4,486.10	1,688.46
	Total current assets				**23,462.90**	**15,731.45**
	TOTAL ASSETS				**44,465.05**	**35,899.18**
	EQUITY AND LIABILITIES					
III	**Equity**					
	(a)	Equity share capital		14	1,075.22	1,075.22
	(b)	Other equity			20,951.07	18,429.92
	Total equity				**22,026.29**	**19,505.14**
	LIABILITIES					
IV	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	15	1,250.00	228.93
		(ii)	Other financial liabilities	16(i)	7.65	8.65
	(b)	Provisions		17(ii)	983.69	701.20
	(c)	Deferred tax liabilities (net)		18	1,364.24	843.20
	Total non-current liabilities				**3,605.58**	**1,781.98**
V	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	15	5,322.82	8,494.42
		(ii)	Trade payables:			
			- dues to micro and small enterprises (Refer note: 36)		527.41	9.75
			- dues to others		1,030.46	1,570.27
		(iii)	Other financial liabilities	16(ii)	1,328.55	1,148.44
	(b)	Provisions		17(ii)	153.88	134.33
	(c)	Other current liabilities		19	9,964.58	3,246.00
	(d)	Current tax liabilities (net)		20	505.48	8.85
	Total current liabilities				**18,833.18**	**14,612.06**
	Total liabilities				**22,438.76**	**16,394.04**
	TOTAL EQUITY AND LIABILITIES				**44,465.05**	**35,899.18**

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

Srihari Pakalapati
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 30, 2024

STATEMENT OF PROFIT AND LOSS
for the Year Ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	21	27,171.67	20,203.01
II	Other income	22	405.04	215.66
III	**Total income (I+II)**		**27,576.71**	**20,418.67**
IV	**Expenses**			
	Cost of raw materials consumed	23	10,070.70	10,766.97
	Purchases of stock in trade		227.92	697.17
	Changes in inventories of finished goods, work-in-progress and scrap	24	770.24	(2,769.10)
	Employee benefits expense	25	5,749.24	5,093.85
	Finance costs	26	1,079.01	919.26
	Depreciation and amortisation expense	27	1,151.69	982.25
	Research and development expenses	28	39.25	40.51
	Other expenses	29	4,464.01	3,792.07
	Total expenses (IV)		**23,552.06**	**19,522.98**
V	**Profit before tax (III-IV)**		**4,024.65**	**895.69**
VI	**Income tax expense**			
	Current tax	30	647.00	67.00
	Deferred tax	30	565.50	160.20
	Total tax expense		**1,212.50**	**227.20**
VII	**Profit for the year (V-VI)**		**2,812.15**	**668.49**
VIII	**Other comprehensive income**			
A	**Items that will not be reclassified to profit or loss**			
	Remeasurements of defined benefit plan	25(D)	(152.66)	(6.94)
	Income tax relating to above	30	44.45	1.93
B	**Items that will be reclassified to profit or loss**		-	-
	Income tax relating to above		-	-
	Other comprehensive income after tax for the year (VIII)		**(108.21)**	**(5.01)**
IX	**Total comprehensive income for the year (VII+VIII)**		2,703.94	663.48
X	**Earnings/(Loss) per share (par value of Rs.10 each)**	40		
	Basic		26.15	6.22
	Diluted		26.15	6.22

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

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Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 30, 2024

STATEMENT OF CASH FLOWS
for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**A Cash flow from operating activities**		
	Profit before income tax	4,024.65	895.69
	Adjustments for:		
	Depreciation and amortisation expense	1,151.69	982.25
	Unrealised foreign exchange (gain)(net)	(15.29)	(5.23)
	Provision for Expected credit loss	69.54	64.43
	Excess liabilities no longer required	(1.35)	(92.30)
	Credit balances written back	(2.98)	(36.64)
	Interest income	(53.56)	(70.20)
	Investment written off	-	12.00
	Finance costs	1,079.01	919.26
	Bad debts written off(net)	305.99	138.98
	Loss on sale of Property, plant and equipment	(0.28)	42.79
	Book deficit on assets discarded	2.41	0.04
	Operating profit before working capital changes	**6,559.83**	**2,851.07**
	Adjustments for		
	Trade receivables and other assets	(4,982.15)	985.50
	Inventories	(813.00)	(4,204.05)
	Trade payables, other liabilities and provisions	7,218.74	2,137.23
	Cash generated from operating activities	**7,983.42**	**1,769.75**
	Income taxes (paid)/ Refund	(83.73)	191.24
	Net cash generated from operating activities (A)	**7,899.69**	**1,960.99**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(2,315.28)	(1,420.12)
	Payments for investment in joint venture	-	(2.00)
	Proceeds from disposal /sale of property, plant and equipment	1.16	29.43
	Investment in bank deposits (having original maturity of more than three months)	(239.89)	(234.77)
	Interest received	47.21	70.20
	Net cash inflow / (outflow) from investing activities (B)	**(2,506.80)**	**(1,557.26)**
C	**Cash flows from financing activities**		
	(Repayment)/ Proceeds from non-current borrowings (net)	1,470.86	(279.07)
	(Repayment)/ Proceeds from current borrowings (net)	(3,619.15)	950.09
	Finance costs	(1,081.96)	(920.02)
	Dividends paid to company's shareholders	(182.79)	(161.28)
	Net cash inflow / (outflow) from financing activities (C)	**(3,413.04)**	**(410.28)**
D	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**1,979.85**	**(6.55)**
	Exchange difference on translation of foreign currency cash and cash equivalents*	-	-
	Cash and cash equivalents at the beginning of the year	35.82	42.37
E	**Cash and cash equivalents at end of the year**	**2,015.67**	**35.82**
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)	2,015.67	35.82
	Balance as per statement of cash flows	**2,015.67**	**35.82**

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

Srihari Pakalapati
Chief Financial Officer

Dr. A.N. Gupta
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Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 30, 2024

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2024

(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, 2022		1,07,52,239	1,075.22
	Change during the year		-	-
	As at March 31, 2023		1,07,52,239	**1,075.22**
	Change during the year			-
	As at March 31, 2024	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, 2022	**20.53**	**7724.08**	**1700.00**	**8824.00**	**(340.89)**	**17927.72**
Profit for the year	-	-	-	668.49	-	668.49
Remeasurements of defined benefit plan,net of income tax	-	-	-	-	(5.01)	(5.01)
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**668.49**	**(5.01)**	**663.48**
Dividend (including tax on dividend)	-	-	-	(161.28)	-	(161.28)
	-	**-**	**-**	**(161.28)**	**-**	**(161.28)**
Balance as at March 31, 2023	**20.53**	**7,724.08**	**1,700.00**	**9,331.21**	**(345.90)**	**18,429.92**
Balance as at April 1, 2023	**20.53**	**7,724.08**	**1,700.00**	**9,331.21**	**(345.90)**	**18,429.92**
Profit for the year	-	-	-	2,812.15	-	2,812.15
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(108.21)	(108.21)
	-	**-**	**-**	**2,812.15**	**(108.21)**	**2,703.94**
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(182.79)	-	(182.79)
Balance as at March 31, 2024	**20.53**	**7,724.08**	**1,700.00**	**11,960.57**	**(454.11)**	**20,951.07**

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2024 (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 Rs. 5,570.59 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

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

Kiran Kumar Majeti
Partner
Membership number: 220354

Secunderabad
May 30, 2024

For and on behalf of the Board

Srihari Pakalapati
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 30, 2024.

2. Material Accounting policy Information

This note provides a list of the material 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 2015 as amended from time to time and other relevant provisions of the Act.

(ii) Basis of measurement

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

(iii) Current and non-current classification

An asset is classified as current, if

(i) It is expected to be realized or sold or consumed in the company's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, if

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be settled within twelve months after the reporting period;

(iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

2.2 Segment reporting

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

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

2.3 Functional and presentation currency

(i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(ii) Transactions and balances

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

2.4 Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are

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

2.5 Revenue recognition

Sale of Products - Recognition & Measurement

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

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

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

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Variable consideration

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

Sale of Services- Recognition & Measurement

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

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

Dividend income

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

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

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

2.6 Property, plant and equipment

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

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.7 Intangible assets and amortisation

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

(i) Computer software

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

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

(ii) Transfer of Technology

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

(iii) Other Licence

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

(iv) Amortisation methods and periods

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

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

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

2.8 Equity instruments

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

2.9 Financial instruments

Classification, initial recognition and measurement

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

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories

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

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

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

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

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

Subsequent measurement - Debt instruments

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

At amortised cost

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

At fair value through other comprehensive income (FVOCI)

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

At fair value through profit or loss (FVTPL)

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

Investment in subsidiaries and joint ventures

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

Cash and cash equivalents

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

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

Trade receivables

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

(ii) Financial liabilities

Classification, initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

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

Buyers credit

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

Packing credit

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

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

2.10 Impairment of assets

Financial assets

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

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

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

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

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, plant & equipment and intangible assets

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

2.11 Borrowing costs

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

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

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

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

2.12 Inventories

(i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.

(iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.13 Taxation

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

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

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

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

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Leases

As a lessee

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

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

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

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

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

2.15 Provisions, contingent liabilities and contingent assets

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measures reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

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

2.17 Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The company operates the following post-employment schemes

(a) Defined benefit plans such as gratuity

(b) Defined contribution plans such as provident fund

(c) State plans

(d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

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

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

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

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

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

(b) Defined contribution plans

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

(c) State plans

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

(d) Voluntary retirement scheme

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

2.18 Dividends

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

2.19 Research and development expenditure

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

2.20 Earnings per share

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

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

2.21 Investment property

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

2.22 Government grants

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

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

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

2.23 Rounding of amounts

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

2.24 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

Notes to financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	Freehold land	Freehold buildings	Plant and Machinery: Plant and machinery	Plant and Machinery: Research and development equipment	Furniture, fittings and equipment	Vehicles	Data processing equipment	Total	Capital work-in-progress
Year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount	6,524.97	6,618.25	8,135.37	337.34	240.86	222.34	91.41	22,170.54	369.82
Additions	157.12	788.54	895.13	-	12.77	0.33	20.02	1,873.91	1,758.63
Disposals	-	-	(204.87)	-	(0.33)	(15.34)	-	(220.54)	(1,946.95)
Closing gross carrying amount	6,682.09	7,406.79	8,825.63	337.34	253.30	207.33	111.43	23,823.91	181.50
Accumulated depreciation									
Opening accumulated depreciation	-	1,140.35	3,290.96	156.89	172.93	131.61	74.97	4,967.71	-
Depreciation charge during the year	-	337.45	445.66	26.58	12.92	18.42	8.49	849.52	-
Disposals	-	-	(133.42)	-	(0.28)	(14.58)	-	(148.28)	-
Closing accumulated depreciation	-	1,477.80	3,603.20	183.47	185.57	135.45	83.46	5,668.95	-
Net carrying amount as at March 31, 2023	**6,682.09**	**5,928.99**	**5,222.43**	**153.87**	**67.73**	**71.88**	**27.97**	**18,154.96**	**181.50**
Year ended March 31, 2024									
Gross carrying amount									
Opening gross carrying amount	6,682.09	7,406.79	8,825.63	337.34	253.30	207.33	111.43	23,823.91	181.50
Additions	236.96	40.91	1,584.58	-	14.57	37.21	12.54	1,926.77	1,664.30
Disposals		-	(16.02)	-	(2.46)	(6.77)	(0.24)	(25.49)	(1,536.43)
Closing gross carrying amount	6,919.05	7,447.70	10,394.19	337.34	265.41	237.77	123.73	25,725.19	309.37
Accumulated depreciation									
Opening accumulated depreciation	-	1,477.80	3,603.20	183.47	185.57	135.45	83.46	5,668.95	-
Depreciation charge during the year	-	356.81	570.34	24.59	14.53	28.47	12.76	1,007.50	-
Disposals	-	-	(13.74)	-	(2.35)	(5.88)	(0.23)	(22.20)	-
Closing accumulated depreciation	-	1,834.61	4,159.80	208.06	197.75	158.04	95.99	6,654.25	-
Net carrying amount as at March 31, 2024	**6,919.05**	**5,613.09**	**6,234.39**	**129.28**	**67.66**	**79.73**	**27.74**	**19,070.94**	**309.37**

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, 2024

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

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

	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	181.50	-	-	-	181.50
(b) Projects temporarily Suspended	-	-	-	-	-
	181.50	-	-	-	181.50

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2023-24 and 2022-23

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

	As at March 31, 2024	As at March 31, 2023
Land (Gross Carrying value)	80.16	80.16
Additions	5.00	-
Opening accumulated deprecation	(4.85)	(4.04)
Depreciation	(0.84)	(0.81)
Total Right -of -use asset	**79.47**	**75.31**

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, 2024	As at March 31, 2023
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, 2023				
Gross carrying amount				
Opening gross carrying amount	54.98	811.37	162.18	1,028.53
Additions	0.60	79.81	-	80.41
Closing gross carrying amount	55.58	891.18	162.18	1,108.94
Accumulated amortisation				
Opening accumulated amortisation	46.97	220.13	2.76	269.86
Amortisation charge during the year	2.00	97.48	32.44	131.92
Closing accumulated amortisation	48.97	317.61	35.20	401.78
Closing net carrying amount as at March 31, 2023	**6.61**	**573.57**	**126.98**	**707.16**
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	162.18	1,108.94
Additions	-	-	126.60	126.60
Closing gross carrying amount	55.58	891.18	288.78	1,235.54
Accumulated amortisation				
Opening accumulated amortisation	48.97	317.61	35.20	401.78
Amortisation charge during the year	0.50	97.48	45.37	143.35
Closing accumulated amortisation	49.47	415.09	80.57	545.13
Net carrying amount as at March 31, 2024	**6.11**	**476.09**	**208.21**	**690.41**

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 Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
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, 2023: 52,00,000) equity shares of ₹10/- each, fully paid	520.00	520.00
PELNEXT Defence Systems Private Limited 10,000 (March 31, 2023:10,000) equity shares of ₹10/- each fully paid	1.00	1.00
Total Non-current investments	**521.00**	**521.00**
Aggregate amount of unquoted investments	521.00	521.00
Aggregate amount of impairment in the value of investments	-	-

Note 7: Loan

(i) Current

Loan considered good -unsecured		
Loan to related parties* (Refer note: 38)	4.12	3.87
Total Loans	**4.12**	**3.87**

*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	4.12	3.87
Maximum outstanding	**4.12**	**3.87**

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, 2024		As at March 31, 2023	
	Amount of Loan	Percentage to total Loans	Amount of Loan	Percentage to total Loans
Related Party	4.12	100%	3.87	100%

Note 8 : Income tax assets (net)

(i) Non current

	As at March 31, 2024	As at March 31, 2023
Advance taxes (net of provision for tax of ₹ Nil ; March 31, 2023 : ₹ 67 lakhs)	-	66.64
Total Income tax assets (net)	**-**	**66.64**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Note 9 : Other assets		
(i) Non current		
Capital advances	148.08	206.39
Advances other than capital advances:		
Security deposits	129.96	196.62
Pre-paid expenses	44.90	50.13
Total other non-current assets	**322.94**	**453.14**
(ii) Current		
Balances with government authorities	428.68	560.75
Prepaid expenses	275.54	210.71
Advances to suppliers	3,650.83	817.12
Other receivable	131.05	99.88
Total other current assets	**4,486.10**	**1,688.46**

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

Raw materials	4,648.55	3,049.16
Work-in-progress	3,342.94	3,251.55
Finished goods	239.93	1,100.81
Stores and spares	554.57	570.72
Scrap (at net realisable value)	1.02	1.77
Total inventories	**8,787.01**	**7,974.01**
Raw materials includes stock in transit	45.98	492.00

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

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

Note 11: Trade receivables

(i) Current

Trade receivables from contract with customer - Billed	7,183.26	5,714.22
Trade receivables from contract with customer - Unbilled	214.21	241.47
Less: Provision for expected credit loss (Refer Note:32(A))	132.14	589.05
Total current trade receivables	**7,265.33**	**5,366.64**

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	7,397.47	5,955.69
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**7,397.47**	**5,955.69**
Less: Provision for expected credit loss (Refer note:32(A))	132.14	589.05
Total trade receivables	**7,265.33**	**5,366.64**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11(c): Trade Receivables ageing as at March 31, 2024

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	Total
Undisputed							
-Considered good	5,186.99	1309.39	317.67	367.65	57.56	158.21	7,397.47
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	-	-
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-

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

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	1,564.53	2,065.48	1,051.63	325.75	87.99	824.58	5,919.96
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	35.73	35.73
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-

Note 12: Cash and cash equivalents

Balances with banks		
in current accounts	12.76	8.01
in EEFC accounts	-	0.10
Deposits with banks with original maturity is less than three months	2,000.54	25.97
Cash on hand	2.37	1.74
Total cash and cash equivalents	**2,015.67**	**35.82**

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

	As at March 31, 2024	As at March 31, 2023
Note 13: Bank balances other than cash and cash equivalents		
Earmarked balances with bank *	13.60	15.96
Deposits with original maturity over 3 months but less than 12 months	8.66	72.06
Margin money deposits with banks	882.41	574.63
Total Bank balances other than cash and cash equivalents	**904.67**	**662.65**

* Earmarked balances represent unpaid dividend.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Equity share capital

Movement of equity share capital during the year

(i) Authorised

(face value of each ₹ 10/-)	No of shares	Amount
As at April 1, 2022	1,50,00,000	1,500.00
Change during the year	-	-
As at March 31, 2023	**1,50,00,000**	**1,500.00**
Change during the year	-	-
As at March 31, 2024	**1,50,00,000**	**1,500.00**

(ii) Issued, subscribed and paid up

(face value of each ₹ 10/-)	No of shares	Amount
As at April 1, 2022	1,07,52,239	1,075.22
Change during the year	-	-
As at March 31, 2023	**1,07,52,239**	**1,075.22**
Change during the year	-	-
As at March 31, 2024	**1,07,52,239**	**1,075.22**

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Dr. A.N.Gupta	26,20,183	24.37%	26,20,183	24.37%
Dr. (Mrs.) Kailash Gupta	11,67,467	10.86%	11,67,467	10.86%
A. N. Gupta (HUF)	6,56,697	6.11%	6,56,697	6.11%
Dilip Kumar Lakhi	1,92,830	1.79%	7,07,464	6.58%
HDFC Trustee Company Limited-HDFC Infrastructure	9,97,803	9.28%	-	-

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2024		% Change during the year	As at March 31, 2023		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	26,20,183	24.37%	0.00%	26,20,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	11,67,467	10.86%	0.00%	11,67,467	10.86%	0.00%
3) A. N. Gupta (HUF)	6,56,697	6.11%	0.00%	6,56,697	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 Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Note 15: Borrowings

(i) Non-current

Term loans		
Secured -At Amortised Cost		
From banks	1,978.79	507.93
Less: Current maturities of long-term debt	(728.79)	(279.00)
Total Non current borrowings	**1,250.00**	**228.93**

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

Note 15 (b): Repayment terms: Secured term loan comprises of 24 equal monthly instalments of ₹14.92 lakhs each,18 equal monthly instalments of ₹ 8.33 lakhs and 16 quarterly monthly installment of ₹ 125.00 Lakhs with an applicable interest rate lies 9.25% to 10.95% respectively as on the reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	9.70 to 10.45	2,000.79	5,918.77
Buyers credit from bank	7.56 to 8.33	442.87	202.55
Packing credit	4.5 to 7.00	332.00	1,158.52
Current maturities of long-term borrowings	9.25 to 10.95	728.79	279.00
Interest accrued but not due		3.96	6.91
Unsecured -At Amortised Cost			
Loans from related parties (Refer note: 38)	7 to 8.95	942.49	928.67
Loans from banks	8.95 to 9.95	871.92	-
Total current borrowings		**5,322.82**	**8,494.42**

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 managing director of the company.

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Note 16: Other financial liabilities		
i) Non-current		
Dealership deposits	1.20	2.20
Earnest money deposits	6.45	6.45
	7.65	**8.65**
ii) Current		
Unclaimed dividend (Refer note: 16.1)	13.60	15.96
Capital creditors	112.64	299.99
Employee benefits payable	482.82	386.70
Creditors for expenses	719.49	445.79
Total other financial liabilities	**1,328.55**	**1,148.44**

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))	782.88	524.21
Leave encashment	200.81	176.99
Total	**983.69**	**701.20**
ii) Current		
Gratuity (Refer note : 25(a))	79.62	64.93
Leave encashment	74.26	69.40
Total	**153.88**	**134.33**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
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	2,262.47	2,067.84
Mat Credit Entitlement	(472.83)	(67.00)
Provision for expected credit loss	(38.48)	(163.86)
Expenses allowable on the basis of payment	(386.92)	(337.08)
Carry forwarded losses	-	(656.70)
Deferred tax (assets) / liabilities (net)	**1,364.24**	**843.20**

Movement in deferred tax (assets) / liabilities

	Property, plant and equipment	Provision for expected credit loss	Carry forwarded losses	Expenses allowable on the basis of payment	MAT Credit Entitlement	Total
As at April 1, 2022	**2,002.81**	**(145.95)**	**(799.80)**	**(372.15)**	**-**	**684.91**
Charged / (credited)						-
- to profit or loss	65.03	(17.92)	143.09	37.00	(67.00)	160.20
- to other comprehensive income	-	-	-	(1.93)	-	(1.93)
As at March 31, 2023	**2,067.84**	**(163.86)**	**(656.70)**	**(337.08)**	**(67.00)**	**843.20**
Charged / (credited)						-
- to profit or loss	194.63	125.38	656.70	(5.39)	(405.83)	565.49
- to other comprehensive income	-	-	-	(44.45)	-	(44.45)
As at March 31, 2024	**2,262.47**	**(38.48)**	**-**	**(386.92)**	**(472.83)**	**1,364.24**

Note 19: Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory taxes payable	62.66	59.71
Advance from customers	9,901.92	3,186.29
Total other current liabilities	**9,964.58**	**3,246.00**

Note 20: Current tax liabilities (net)

Provision for taxation(Net of Prepaid taxes Rs. 713.37 Lakhs)	496.63	-
Interest on income tax	8.85	8.85
Total current tax liabilities	**505.48**	**8.85**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Note 21: Revenue from operations		
Revenue from contracts with customers		
- Sale of products	24,387.83	16,022.71
- Sale of traded goods	227.87	723.30
- Sale of services	2,422.80	3,407.54
	27,038.50	**20,153.55**
Other operating revenue	133.17	49.46
Total revenue from operations	**27,171.67**	**20,203.01**

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	20,192.90	16,858.43
- Other countries	6,978.77	3,344.58
Total	**27,171.67**	**20,203.01**

Information about major customers:

Three customers represents 10% or more of the Company's total revenue during the year ended March 31, 2024 and two customer represents 10% or more of the Company's total revenue during the year ended March 31, 2023.

Contract Price Reconciliation

Contract Price	27,782.23	20,457.62
Less: Variable consideration	610.56	254.61
	27,171.67	**20,203.01**

Note 22: Other income

Interest income from financial assets measured at amortised cost	53.56	70.20
Gain on sale of property, plant & equipment	0.28	-
Net gain on foreign currency transactions and translations	59.46	-
Excess liabilities no longer required	1.35	92.30
Credit balances written back	2.98	36.64
Other non-operating income*	287.41	16.52
Total other income	**405.04**	**215.66**

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

Note 23: Cost of raw materials consumed

Raw materials at the beginning of the year	3,049.16	1,480.72
Add: Purchases	11,764.09	12,335.41
Less: Insurance claims received	(94.00)	-
Less: Raw materials at the end of the year	(4,648.55)	(3,049.16)
Total cost of raw materials consumed	**10,070.70**	**10,766.97**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023

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

Opening balance		
Finished goods	1,100.81	353.34
Work-in-progress	3,251.55	1,229.20
Scrap	1.77	2.49
Total opening balance	**4,354.13**	**1,585.03**
Closing balance		
Finished goods	239.93	1,100.81
Work-in-progress	3,342.94	3,251.55
Scrap	1.02	1.77
Total closing balance	**3,583.89**	**4,354.13**
Changes in inventories of finished goods, work-in-progress and scrap	**770.24**	**(2,769.10)**

Note 25: Employee benefits expense

Salaries, wages, bonus and other allowances	5,189.85	4,564.82
Contribution to provident fund and other funds	314.54	297.07
Contribution to ESI	13.14	14.72
Staff welfare expenses	231.71	217.24
Total employee benefits expense	**5,749.24**	**5,093.85**

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	193.35	194.34
Employer's contribution to ESI	13.14	14.72

(ii) Defined benefits plans

Post-employment obligations - Gratuity

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

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Gratuity (funded)

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

Defined benefit obligation at beginning of the year	1,185.09	1,110.50
Current service cost	77.15	67.52
Interest cost	84.63	78.09
Actuarial (gain) / loss	153.48	7.61
Benefits paid	(107.40)	(78.63)
Defined benefit obligation at year end	1,392.95	1,185.09

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

Fair value of plan assets at beginning of year	595.95	625.98
Expected return on plan assets	40.58	42.95
Actuarial (gain) / loss	0.82	0.65
Employer's contribution	0.50	5.00
Benefits paid	(107.40)	(78.63)
Fair value of plan assets at year end	530.45	595.95

C) Reconciliation of fair value of assets and obligations

Fair value of plan assets	530.45	595.95
Present value of obligation	1,392.95	1,185.09
Amount recognised in balance sheet, surplus/(deficit)	**(862.50)**	**(589.14)**

D) Expenses recognised during the year

	For the year ended March 31, 2024	For the year ended March 31, 2023
In income statement		
Current service cost	77.15	67.52
Interest cost	84.63	78.09
Return on plan assets	(40.58)	(42.95)
Net cost	**121.20**	**102.66**
In other comprehensive income		
Actuarial (gain) / loss	152.66	6.96
	273.86	**109.62**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.26%	7.48%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	15.28	15.09
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity analysis

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

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	1,392.95	1,185.09
Discount rate: (% change compared to base due to sensitivity)		
Increase : +1%	1,309.21	1,110.10
Decrease: -1%	1,486.28	1,268.78
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,496.54	1,277.58
Decrease: -1%	1,298.73	1,101.00
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,409.36	1,201.10
Decrease: -1%	1,374.90	1,167.47

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 7.00 years (March 31, 2023:7.73 years). The expected cash flows over the years is as follows:

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation - gratuity		
Less than a year	80.97	65.99
Between 2-5 years	665.92	460.46
Over 6 years	1,677.39	1,429.80

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, 2024	For the year ended March 31, 2023
Interest and finance charges on financial liabilities carried at amortised cost	723.18	648.60
Other borrowing costs	355.83	270.66
Total finance costs	**1,079.01**	**919.26**

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	1,007.50	849.52
Depreciation of right-of-use assets	0.84	0.81
Amortisation of intangible assets	143.35	131.92
Total depreciation and amortisation expense	**1,151.69**	**982.25**

Note 28: Research and development expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed	6.12	11.94
Salaries, wages, bonus and other allowances.	32.27	27.71
Contribution to provident and other funds.	0.86	0.86
Total research and development expenses	**39.25**	**40.51**

Note 29: Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	195.24	147.48
Consumption of packing materials	439.56	245.80
Power and fuel	384.65	366.89
Repairs and maintenance		
- Plant and machinery	423.13	556.28
- Buildings	67.28	32.25
- Others	148.76	159.75
Insurance	100.90	84.43
Rent	16.43	57.18
Rates and taxes, excluding taxes on income	64.21	66.17
Legal and professional charges	113.70	106.08
Directors sitting fees	12.03	10.80
Travelling and conveyance	322.87	261.41
Sales commission	463.89	240.23
Carriage outward	405.28	564.76
Other selling expenses	441.64	110.86
Payments to auditors	23.59	22.78

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2024	For the year ended March 31, 2023
Bad debts written off (Gross)	832.44		
Less: Provision for Expected credit losses written back	(526.45)		
Net bad Debts Written off		305.99	138.98
Book deficit on assets discarded		2.41	0.04
Donations		3.16	6.59
Provision for Expected credit losses		69.54	64.43
Corporate social responsibility expenditure		1.92	8.87
Security charges		159.61	141.39
Investments written off		-	12.00
Testing fees		79.59	32.25
Loss on sale of property, plant & equipment		-	42.79
Net loss on foreign currency transactions and translations		-	110.13
General expenses		218.63	201.45
Total other expenses		**4,464.01**	**3,792.07**

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to auditors		
As auditors		
As Statutory auditor	8.50	8.50
For Quarterly reviews	7.50	7.50
In other capacities		
For GST Matters	3.00	3.00
For Certification	3.00	2.30
Re-imbursement of expenses	1.59	1.48
Total payments to auditors	**23.59**	**22.78**

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent as per section 135 of the Act	1.28	-
Amount of expenditure incurred during the year on		
(I) Promoting education	1.92	1.97
(ii) Promoting healthcare	-	6.90
Total Amount spent during the year	**1.92**	**8.87**
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, 2024	For the year ended March 31, 2023
(a) Income tax expense		
Current tax		
Current tax on profits for the year	647.00	67.00
Adjustments for current tax of prior periods	-	-
Total current tax expense	**647.00**	**67.00**
Deferred tax		
Decrease/ (increase) in deferred tax assets	851.34	208.12
(Decrease)/ increase in deferred tax liabilities	(285.84)	(47.92)
Total deferred tax expense/(benefit)	**565.50**	**160.20**
Income tax expense	**1,212.50**	**227.20**

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

Profit /(loss)from operations before income tax expenses	**4,024.65**	**895.69**
Income tax expense		
Tax at the rate of 29.12% (2022-23:26%)	1,171.98	232.88
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-	9.53
Tax effect of expenses not allowed for tax purpose	5.69	16.55
Tax effect of expenses relating to voluntary retirement scheme	(45.71)	(45.71)
Tax effect of items in other comprehensive income considered for income tax	44.45	1.93
effect of interest on income tax	22.89	-
Tax effect on others	13.20	12.02
Income tax expense	**1,212.50**	**227.20**

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: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

	Fair value hierarchy	Notes	As at March 31, 2024		As at March 31, 2023	
			Carrying value	Fair value	Carrying value	Fair value
A. Financial assets						
Measured at amortised cost						
Cash and cash equivalents	Level -3	12	2,015.67	2,015.67	35.82	35.82
Other bank balances	Level -3	13	904.67	904.67	662.65	662.65
Trade receivables	Level -3	11	7,265.33	7,265.33	5,366.64	5,366.64
Loans	Level -3	7	4.12	4.12	3.87	3.87
Total financial assets			**10,189.79**	**10,189.79**	**6,068.98**	**6,068.98**
B. Financial liabilities						
Measured at amortised cost						
Trade payables	Level -3		1,557.87	1,557.87	1,580.02	1,580.02
Borrowings	Level -3	15	6,572.82	6,572.82	8,723.35	8,723.35
Other financial liabilities	Level -3	16	1,336.20	1,336.20	1,157.09	1,157.09
Total financial liabilities			**9,466.89**	**9,466.89**	**11,460.46**	**11,460.46**

Note:

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

(ii) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables, unbilled receivable and other financial assets are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

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, 2024	As at March 31, 2023
Expected credit losses (ECL)		
Opening balance	589.05	524.62
Less: No longer required written back	(526.45)	-
Add: ECL Movement during the year	69.54	64.43
Closing balance	132.14	589.05

(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, 2024			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	21,52,407	-	1,794.55
Balance with banks	-	3	-	0.00
Total	-	21,52,410	-	1,794.55
Foreign currency liabilities				
Payables for supplies and services	-	4,41,069	68,500	429.54
Current borrowings	-	5,31,180	-	442.86
Capital Creditors	2,032	-	-	2.14
Total	2,032	9,72,249	68,500	874.54
Net foreign currency assets / (liabilities)	(2,032)	11,80,161	(68,500)	920.01
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	36,70,905	-	3,060.58
Advance from customers	-	20,22,879	-	1,686.55

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	13,61,206	-	1,119.14
Balance with banks	-	123	-	0.10
Deposits Recoverable	-	1,325	-	0.89
Total	-	13,62,654	-	1,120.13
Foreign currency liabilities				
Payables for supplies and services	-	82,577	-	67.89
Current borrowings	-	6,10,000	2,26,038	704.07
Capital Creditors	2,032	-	-	1.94
Total	2,032	6,92,577	2,26,038	773.90
Net foreign currency assets / (liabilities)	(2,032)	6,70,077	(2,26,038)	346.23
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	1,50,173	-	123.75
Advance for capital items	-	14,300	-	11.85
Advance from customers	-	28,91,649	-	2,369.38

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, 2024	For the year ended March 31, 2023
GBP	0.05	0.05
USD	24.55	13.80
EURO	(1.55)	(5.06)

(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, 2024				
Non-current borrowings	-	1,250.00	-	1,250.00
Current borrowings	5,322.82	-	-	5,322.82
Trade and other payable	1,557.87	-	-	1,557.87
Other financial liabilities	1,328.55	7.65	-	1,336.20
Total financial liabilities	**8,209.24**	**1,257.65**	**-**	**9,466.89**
Year ended March 31, 2023				
Non-current borrowings	-	228.93	-	228.93
Current borrowings	8,494.42	-	-	8,494.42
Trade and other payable	1,580.02	-	-	1,580.02
Other financial liabilities	1,148.44	8.65	-	1,157.09
Total financial liabilities	**11,222.88**	**237.58**	**-**	**11,460.46**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Capital management

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

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

	As at March 31, 2024	As at March 31, 2023
Net debt*	3,666.08	8,040.84
Equity	22,026.29	19,505.14
Total capital (net debt + equity)	**25,692.37**	**27,545.98**
Gearing ratio (Net debt / Total capital)	**14.27%**	**29.19%**

***Net debt is as follows**

	As at March 31, 2024	As at March 31, 2023
A) Borrowings		
Non-current borrowings	1,250.00	228.93
Current borrowings	5,322.82	8,494.42
Total (A)	**6,572.82**	**8,723.35**
B) Cash and cash equivalents	2,015.67	35.82
Bank balances other than cash and cash equivalents	891.07	646.69
Total (B)	**2,906.74**	**682.51**
C) Net debt (A-B)	**3,666.08**	**8,040.84**

(b) Loan covenants

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

* Total net worth should be greater than Rs. 220 crores including deferred tax liabilities.

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

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

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

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

Note 34: Contingent liabilities

	As at March 31, 2024	As at March 31, 2023
On account of letters of credit and guarantees issued by the bankers	9,461.90	9,402.86
Claims against the company not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Income tax (It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings)	61.84	61.84

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 35: Commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	417.95	1,304.91

Note 36(a): Payables to Micro, Small & Medium Enterprises

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

	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid as at year-end	527.41	9.75
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, 2024

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

Note 36(c): Ageing of Trade Payables as at March 31, 2023

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	9.75	-	-	-	-	9.75
Others	202.03	1,282.88	41.46	43.85	0.05	1,570.27
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**211.78**	**1,282.88**	**41.46**	**43.85**	**0.05**	**1,580.02**

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Interest in other entities

The Company's subsidiaries as at March 31, 2024 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, 2024	As at March 31, 2023
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%

Note 38: Related party transactions

Relationship		Name of related party	
(a)	**Enterprises where control exists**		
	Wholly owned subsidiary company	PELNEXT Defence Systems Private Limited	
	Subsidiary	Premier Wire Products Limited	
	Joint venture	BF Premier Energy Systems Private Limited (Up to March 02, 2023)	
(b)	**Key management personnel (KMP)**	Dr. A.N.Gupta	Chairman
		Mr. T.V.Chowdary	Managing Director
		Mr. Y. Durga Prasad Rao	Whole time Director
		Dr. (Mrs.) Kailash Gupta	Non Executive Director
		Mrs. Shonika Prasad	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
		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)	

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties during the year

	For the year ended March 31, 2024	For the year ended March 31, 2023
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	309.36	224.12
Others		
Repayment of unsecured loan	-	140.05
Interest paid	46.00	47.80
Dividend paid	65.02	57.22
Sitting fees	12.03	10.80
Capital advance given	-	50.00
Purchase of land	162.00	-
Relatives of Key Management Personnel		
Dividend paid	0.35	0.31
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	11.16	9.85
Concerns in which the company has substantial interest (subsidiary company)		
Acceptance of unsecured loan	-	145.00
Interest paid	28.62	27.36
Reimbursement of expenses	0.96	0.03
Rent paid	1.19	1.19
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Reimbursement of expenses	0.07	0.12
Interest income	0.28	0.26
Joint Venture		
Purchase of Property, plant and equipment	-	0.05
Investment made	-	2.00
Investment written off	-	12.00
Reimbursement of expenses	-	0.73

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

Nature of transaction / related party	As at March 31, 2024	As at March 31, 2023
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	41.30	9.75
Mr. T.V. Chowdary	41.30	9.75
Mr. Y. Durga Prasad Rao	20.65	4.87
Loan Payable Outstanding		
Dr. A.N.Gupta	400.27	389.87
Dr. Kailash Gupta	118.78	115.82
Concerns in which the company has substantial interest (subsidiary company)		
Loan Payable Outstanding		
Premier Wire Products Limited	423.44	422.98
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Loan Receivable Outstanding		
PELNEXT Defence Systems Private Limited	4.12	3.87

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, 2024	For the year ended March 31, 2023
Acceptance of unsecured loans		
Premier Wire Products Limited	-	145.00
Interest paid		
Dr. A.N.Gupta	35.44	37.93
Dr. Kailash Gupta	10.56	9.87
Premier Wire Products Limited	28.62	27.36
Managerial remuneration paid*		
Dr. A.N.Gupta	65.30	46.06
Mr. T.V. Chowdary	164.28	123.78
Mr. Y. Durga Prasad Rao	79.78	54.28
Repayment of unsecured loans		
Dr. A.N.Gupta	-	139.70
Dr. Kailash Gupta	-	0.35
Sitting fees		
Dr. A.N.Gupta	1.40	1.70
Dr. Kailash Gupta	1.63	1.90
Mr. Anil Kumar Mehta	2.33	2.10
Mr. P.R. Tripathi	1.92	1.80
Mr. K. Rama Rao	1.82	1.30
Dr.A.Venkataraman	1.13	1.00
Mr.P.R.Kumar	0.67	0.80

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Nature of transaction / related party	For the year ended March 31, 2024	For the year ended March 31, 2023
Mrs. Shonika Prasad	1.13	0.20
Purchase of Property, plant and equipment		
BF Premier Energy Systems Pvt Ltd	-	0.05
Capital Advance		
Dr. A.N.Gupta	-	50.00
Purchase of land		
Dr. A.N.Gupta	162.00	-
Rent paid		
Premier Wire Products Limited	1.19	1.19
Interest income		
PEL NEXT Defence Systems Private Limited	0.28	0.26
Reimbursement of expenses		
Premier Wire Products Limited	0.96	0.03
PEL NEXT Defence Systems Private Limited	-	0.12
BF Premier Energy Systems Pvt Ltd	-	0.73
Dividend paid		
Dr. A.N.Gupta	44.54	39.30
Dr. Kailash Gupta	19.85	17.51
A.N Gupta (HUF)	11.16	9.85
Investments Made		
BF Premier Energy Systems Pvt Ltd	-	2.00
Investments Written		
BF Premier Energy Systems Pvt Ltd	-	12.00

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

(i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

(ii) The loans accepted from key managerial personnel carries interest rate at 8.95% per annum.

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

Note 39: Donation to political parties

	For the year ended March 31, 2024	For the year ended March 31, 2023
Communist party of India	1.00	1.50
	1.00	**1.50**

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 40: Earnings per share (EPS)

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Basic & Diluted EPS (₹)**		
	Earnings per share attributable to the equity holders of the company	26.15	6.22
(b)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic and Diluted earnings per share		
	Earnings attributable to the equity holders of the company used in calculating earnings per share	2,812.15	668.49
(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	1,07,52,239	1,07,52,239
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,07,52,239	1,07,52,239

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, 2024	As at March 31, 2023
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	10,189.79	6,068.98
Non financial assets	13,273.11	9,662.47
Collateral security		
non-current assets		
Non financial assets	19,388.33	18,344.48
Towards current borrowings	**42,851.23**	**34,075.93**
Non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	19,388.33	18,344.48
Collateral security		
Current assets		
Financial assets	10,185.67	6,065.11
Non financial assets	13,273.11	9,662.47
Towards non-current borrowings	**42,847.11**	**34,072.06**

Note 42: Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

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

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

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

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

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

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

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 43: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change in Ratio
a) Current ratio(in times)	Current Assets	Current Liabilities	1.25	1.08	16%
b) Debt-Equity ratio(in times)	Total debt	Shareholder's Equity	0.30	0.45	-33%
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	4.32	2.54	70%
d) Return on Equity ratio(in %)	Profit after tax	Average Shareholders fund's	14%	3%	10%
e) Inventory turnover ratio(in times)	Sale of Products	Average Inventory	2.91	2.73	7%
f) Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	4.30	3.25	32%
g) Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	7.50	6.67	12%
h) Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	5.87	18.05	-67%
i) Net profit ratio(in %)	Profit after tax	Revenue from operations	10.35%	3.31%	7%
j) Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	15.00%	5.50%	10%

Reasons for Variance:

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

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

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

Net Capital Turnover Ratio : Change on account of increase 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.

Notes to Standalone financial statements

(All amounts in INR lakhs, unless otherwise stated)

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:

	As at March 31, 2024	As at March 31, 2023
On Equity Shares of Rs.10/- each		
Proposed dividend*	268.81	182.79
Proposed dividend per equity share in Rupees	2.50	1.70

* 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

Kiran Kumar Majeti
Partner
Membership number: 220354

Secunderabad
May 30, 2024

For and on behalf of the Board

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

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 comprise the Consolidated Balance Sheet as at March 31, 2024, 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 material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter (Standalone)	Auditor's Response
1	**1 Fair value assessment of trade receivables** Trade receivables comprise a significant portion of the liquid assets of the holding Company As indicated in Note 9 to the consolidated financial statements, 12.40% 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. (Holding company's Trade receivables outstanding as at March 31, 2024 – ₹ 7,265.33 lakhs – which is near to 67.83% 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, 2024. • 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, 2024 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.

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

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

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report including annexures to directors' report Corporate governance and Management discussion and analysis (MD & A), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports containing other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- When we read the Directors report including annexures to directors report, Corporate governance and Management discussion and analysis (MD & A), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

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.676.39 Lakhs as at March 31, 2024, total income of Rs.39.91 Lakhs total net profit after tax and total comprehensive income of Rs. 29.61 lakhs and net cash outflows amounting to Rs.2.47 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We draw attention to Note 44 in the consolidated financial statements, which describes the significant doubt raised by the auditor of the Subsidiary (Pelnext Defence Systems Private

Limited) regarding its ability to continue as a going concern. The auditor's report on the financial statements of Pelnext Defence Systems Private Limited included a paragraph emphasizing this matter. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2024 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 subsidiary company, exemption available for reporting under section 143(3)(i) of the Act, in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

      iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The respective Managements of the Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in Note no 48 to the Consolidated financial statements

a) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.

b) The Group has not issued any interim dividend during the year.

c) The Board of Directors of the holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, the holding Company and its subsidiaries has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN No: 24220354BKAMTJ7613

Place: Hyderabad
Date: May 30, 2024

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, 2024, we have audited the internal financial controls over financial reporting of **PREMIER EXPLOSIVES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on "the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Kiran Kumar Majeti
Partner
Membership No:220354
UDIN No: 24220354BKAMTJ7613

Place: Hyderabad
Date: May 30, 2024

CONSOLIDATED BALANCE SHEET
as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars				Note	As at March 31, 2024	As at March 31, 2023
ASSETS						
I	**Non-current assets**					
	(a)	Property, plant and equipment		3(a)	19,256.88	18,154.96
	(b)	Right -of- use assets		3(b)	79.47	75.31
	(c)	Capital work-in-progress		3(a)	309.37	181.50
	(d)	Investment property		4	8.02	8.02
	(e)	Intangible assets		5	690.41	707.16
	(f)	Income tax asset (net)		6	2.86	69.38
	(g)	Other non-current assets		7(i)	375.61	481.81
	Total Non-current assets				**20,722.62**	**19,678.14**
II	**Current assets**					
	(a)	Inventories		8	8,787.01	7,974.01
	(b)	Financial assets				
		(i)	Trade receivables	9	7,265.33	5,366.64
		(ii)	Cash and cash equivalents	10	2,019.73	37.41
		(iii)	Bank balances other than (ii) above	11	904.67	662.65
	(c)	Other current assets		7(ii)	4,493.52	1,694.93
	Assets classified as held for sale				-	185.94
	Total Current assets				**23,470.26**	**15,921.58**
TOTAL ASSETS					**44,192.88**	**35,599.72**
EQUITY AND LIABILITIES						
III	**Equity**					
	(a)	Equity share capital		12	1,075.22	1,075.22
	(b)	Other equity			20,942.06	18,397.40
	Equity attributable to equity share holders of parent				**22,017.28**	**19,472.62**
	Non controlling interest				131.51	125.41
	Total Equity				**22,148.79**	**19,598.03**
	Liabilities					
IV	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	13(i)	1,250.00	228.93
		(ii)	Other financial liabilities	14(i)	7.65	8.65
	(b)	Provisions		15(i)	983.69	701.20
	(c)	Deferred tax liabilities (net)		16	1,390.65	862.13
	Total Non-current liabilities				**3,631.99**	**1,800.91**
V	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	13(ii)	4,899.38	8,071.44
		(ii)	Trade payables:			
			- dues to micro and small enterprises (Refer note: 34)		527.41	9.75
			- dues to others		1,030.46	1,570.27
		(iii)	Other financial liabilities	14(ii)	1,330.78	1,150.00
	(b)	Other current liabilities		17	9,964.71	3,246.14
	(c)	Provisions		15(ii)	153.88	134.33
	(d)	Current tax liabilities (net)		18	505.48	8.85
	Liabilities directly associated with assets classified as held for sale				-	10.00
	Total current liabilities				**18,412.10**	**14,200.78**
	Total liabilities				**22,044.09**	**16,001.69**
TOTAL EQUITY AND LIABILITIES					**44,192.88**	**35,599.72**

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

Srihari Pakalapati
Chief Financial Officer

Dr. A.N. Gupta
Chairman
DIN: 00053985

Kiran Kumar Majeti
Partner
Membership number: 220354

K. Jhansi Laxmi
Company Secretary

T.V. Chowdary
Managing Director
DIN: 00054220

Secunderabad
May 30, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	19	27,171.67	20,203.01
II	Other income	20	414.86	216.58
III	**Total income (I+II)**		**27,586.53**	**20,419.59**
IV	**Expenses**			
	Cost of materials consumed	21	10,070.70	10,766.97
	Purchases of stock in trade		227.92	697.17
	Changes in inventories of finished goods, work-in-progress and scrap	22	770.24	(2,769.10)
	Employee benefits expense	23	5,749.24	5,093.85
	Finance costs	24	1,050.39	891.90
	Depreciation and amortization expense	25	1,151.69	982.25
	Research and development expenses	26	39.25	40.51
	Other expenses	27	4,465.36	3,781.57
	Total expenses (IV)		**23,524.79**	**19,485.12**
V	**Profit before tax and before share of (loss) of investments accounted through equity method (III-IV)**		**4,061.74**	**934.47**
VI	**Share of (loss) from joint venture accounted through equity method**		**-**	**(2.00)**
VII	**Profit before tax (V-VI)**		**4,061.74**	**932.47**
VIII	**Tax expense**			
	Current tax	28	647.00	68.46
	Deferred tax	28	572.98	167.49
	Total tax expense		**1,219.98**	**235.95**
IX	**Profit for the year (VII-VIII)**		**2,841.76**	**696.52**
X	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	Remeasurements of post-employment benefit obligations	23D	(152.66)	(6.94)
	Income tax relating to above		44.45	1.93
	Other comprehensive income after tax for the year (X)		**(108.21)**	**(5.01)**
XI	**Total comprehensive income for the year (IX+X)**		**2,733.55**	**691.51**
	Earnings/(Loss) attributable to :			
	(a) Owners of Premier Explosives Limited		2,835.66	690.73
	(b) Non-controlling interest		6.10	5.79
			2,841.76	**696.52**
	Other comprehensive income			
	(a) Owners of Premier Explosives Limited		(108.21)	(5.01)
	(b) Non-controlling interest		-	-
			(108.21)	**(5.01)**
	Total comprehensive income for the year			
	(a) Owners of Premier Explosives Limited		2,727.45	685.72
	(b) Non-controlling interest		6.10	5.79
			2,733.55	**691.51**
	Earnings/(Loss) per share (par value of ₹ 10 each)			
	Basic	40	26.37	6.42
	Diluted	40	26.37	6.42

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Kiran Kumar Majeti
Partner
Membership number: 220354

Secunderabad
May 30, 2024

For and on behalf of the Board

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flow from operating activities**		
	Profit before tax	4,061.74	932.47
	Adjustments for:		
	Depreciation and amortisation expense	1,151.69	982.25
	Unrealised foreign exchange gain(net)	(15.29)	(5.23)
	Provision for Expected credit loss	69.54	64.43
	Excess liabilities written back	(1.35)	(92.40)
	Bad debts written off	305.99	138.98
	Interest income	(53.38)	(70.33)
	Book deficit on assets discarded	2.41	0.04
	Finance costs	1,050.39	891.90
	Credit balances written back	(12.98)	(36.64)
	(Profit)/ Loss on sale of Property, Plant and Equipment	(0.28)	42.79
	Operating cash flow before working capital changes	**6,558.48**	**2,848.26**
	Adjustments for		
	Trade receivables, financial assets and other assets	(4,984.71)	1,128.89
	Inventories	(813.00)	(4,204.05)
	Trade payables, other liabilities and provisions	7,218.69	2,140.17
	Cash generated from operating activities	**7,979.46**	**1,913.27**
	Income tax (paid)/ Refund	(83.85)	198.76
	Net cash generated from operating activities	**7,895.61**	**2,112.03**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment, intangible assets and capital work-in-progress	(2,339.28)	(1,430.11)
	Investment in Joint Venture	-	(2.00)
	Insurance claims received against property, plant and equipment	-	29.43
	Proceeds from disposal /sale of property, plant and equipment	1.16	-
	Redemption in bank deposits (having original maturity of more than three months) (Net)	(238.03)	(299.52)
	Interest received	47.03	135.08
	Net cash inflow / (outflow) from investing activities (B)	**(2,529.12)**	**(1,567.12)**
C	**Cash flows from financing activities**		
	Proceeds/(repayment) of Long term borrowing (net)	1,470.86	(279.07)
	Proceeds/(repayment) of short-term borrowings (net)	(3,618.90)	782.47
	Interest paid	(1,053.34)	(899.57)
	Dividend	(182.79)	(161.28)
	Net cash inflow / (outflow) from financing activities (C)	**(3,384.17)**	**(557.45)**
D	**Net increase (decrease) in cash and cash equivalents**	1,982.32	(12.54)
	Exchange difference on translation of foreign currency cash and cash equivalents*	-	-
	Cash and cash equivalents at the beginning of the year	37.41	49.95
E	**Cash and cash equivalents at end of the year**	**2,019.73**	**37.41**
F	**Reconciliation of cash and cash equivalents as per cash flow statement:**		
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents (Refer note: 10)	2,019.73	37.41
	Balance as per statement of cash flows	**2,019.73**	**37.41**

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

Kiran Kumar Majeti
Partner
Membership number: 220354

Secunderabad
May 30, 2024

For and on behalf of the Board

Srihari Pakalapati
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 CHANGES IN EQUITY
for the year ended March 31, 2024

(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, 2022		1,07,52,239	1,075.22
	Change during the year		-	-
	As at March 31, 2023		**1,07,52,239**	**1,075.22**
	Change during the year		-	-
	As at March 31, 2024	**12**	**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				
Balance as at April 1, 2022	**21.34**	**7,724.08**	**1,701.20**	**8,766.61**	**(340.27)**	**17,872.96**	**119.62**	**17,992.58**
(Loss) for the year	-	-	-	690.73	-	690.73	5.79	696.52
Remeasurements of defined benefit plan, net of income tax	-	-	-		(5.01)	(5.01)	-	(5.01)
Total comprehensive income for the year	**-**	**-**	**-**	**690.73**	**(5.01)**	**685.72**	**5.79**	**691.51**
Transactions with owners in their capacity as owners								
Dividend (including tax on dividend)	-	-	-	(161.28)	-	(161.28)	-	(161.28)
	-	-	-	529.45	(5.01)	524.44	5.79	530.23
Balance as at March 31, 2023	**21.34**	**7,724.08**	**1,701.20**	**9,296.06**	**(345.28)**	**18,397.40**	**125.41**	**18,522.81**
Balance as at April 1, 2023	**21.34**	**7,724.08**	**1,701.20**	**9,296.06**	**(345.28)**	**18,397.40**	**125.41**	**18,522.81**
Profit for the year	-	-	-	2,835.66	-	2,835.66	6.10	2,841.76
Remeasurements of defined benefit plan, net of income tax	-	-	-	-	(108.21)	(108.21)	-	(108.21)
Total comprehensive income for the year	**-**	**-**	**-**	**2,835.66**	**(108.21)**	**2,727.45**	**6.10**	**2,733.55**
Transactions with owners in their capacity as owners								
Dividend	-	-	-	(182.79)	-	(182.79)	-	(182.79)
Balance as at March 31, 2024	**21.34**	**7,724.08**	**1,701.20**	**11,948.93**	**(453.49)**	**20,942.06**	**131.51**	**21,073.57**

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

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

(ii) Securities premium reserve

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

(iii) General reserve

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

(iv) Retained earnings

This reserve represents the cumulative profits of the group. It includes land revaluation amount of Rs. 5,746.53 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

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

Kiran Kumar Majeti
Partner
Membership number: 220354

Secunderabad
May 30, 2024

For and on behalf of the Board

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

1. Background

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

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

1.3 The consolidated financial statements are approved for issue by the Company's Board of Directors on May 30, 2024.

2. Material accounting policy Information

This note provides a list of the Material accounting policy Information 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 as amended from time to time and other relevant provisions of the Act.

(ii) Basis of measurement

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

(iii) Current and non-current classification

An asset is classified as current, if

(i) It is expected to be realized or sold or consumed in the group's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

A liability is classified as current, if

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be settled within twelve months after the reporting period;

(iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.2 Segment reporting

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

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at March 31,2024.

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, 2024.

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. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

(ii) Transactions and balances

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

2.5 Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 23(a)(ii)]
- Estimation of expected credit loss on financial assets [refer note: 30(A)]
- Estimation of useful life of fixed assets [refer note: 2.7]
- Estimation of useful life of intangible asset [refer note: 2.8]
- Estimation of Variable consideration [refer note :2.6]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the group and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition

Sale of Products - Recognition & Measurement

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

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

For revenues disaggregated by geography and timing of recognition [refer note 19]

In determining the transaction price for the sale of goods or rendering of services, the group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Variable consideration

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

Sale of Services- Recognition & Measurement

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

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

Dividend income

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

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recogni sed using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

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

2.7 Property, plant and equipment

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.8 Intangible assets and amortisation

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

(i) Computer Software

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

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured.

(ii) Transfer of Technology

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

(iii) Other Licence

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

(iv) Amortization methods and periods

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

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

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

2.9 Equity instruments

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

2.10 Financial instruments

Classification, initial recognition and measurement

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

(i) Financial assets

Classification

The group classifies its financial assets in the following measurement categories

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

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

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

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

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

Subsequent measurement - Debt instruments

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

At amortised cost

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

At fair value through other comprehensive income (FVOCI)

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

At fair value through profit or loss (FVTPL)

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

Investment in subsidiaries and joint ventures

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

Cash and cash equivalents

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

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

Trade receivables

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

(ii) Financial liabilities

Classification, initial recognition and measurement

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

Subsequent measurement

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

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

Buyers Credit

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

Packing credit

The company enters into arrangements whereby financial institutions will provide working capital based on the export order.

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

2.11 Impairment of assets

Financial assets

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

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

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

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

For other assets, the group uses 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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

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

2.16 Provisions, contingent liabilities and contingent assets

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measures reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

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

2.17 Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The group operates the following post-employment schemes

(a) Defined benefit plans such as gratuity and;

(b) Defined contribution plans such as provident fund.

(c) State plans.

(d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

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

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

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

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

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

(b) Defined contribution plans

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

(c) State plans

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

(d) Voluntary retirement scheme

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

2.18 Dividends

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

2.19 Research and development expenditure

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

2.20 Earnings per share

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

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

2.21 Investment property

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

2.22 Government grants

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

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

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

2.23 Rounding of amounts:

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

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group

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, 2023									
Gross carrying amount									
Opening Gross carrying amount	6,524.96	6,618.25	8,135.37	337.34	240.86	222.35	91.41	22,170.54	369.82
Additions	157.12	788.54	895.13	-	12.77	0.33	20.02	1,873.91	1,758.63
Disposals	-	-	(204.87)		(0.33)	(15.34)	-	(220.54)	(1,946.95)
Assets classified as held for sale	-							-	
Closing gross carrying amount	6,682.08	7,406.79	8,825.63	337.34	253.30	207.34	111.43	23,823.91	181.50
Accumulated depreciation									
Opening accumulated depreciation	-	1,140.36	3,290.96	156.89	172.82	131.71	74.97	4,967.71	-
Depreciation charge during the year	-	337.45	445.66	26.58	12.92	18.42	8.49	849.52	-
Disposals	-	-	(133.42)	-	(0.28)	(14.58)	-	(148.28)	-
Closing accumulated depreciation	-	1,477.81	3,603.20	183.47	185.46	135.55	83.46	5,668.95	-
Net carrying amount as at March 31, 2023	**6,682.08**	**5,928.98**	**5,222.43**	**153.87**	**67.84**	**71.79**	**27.97**	**18,154.96**	**181.50**
Year ended March 31, 2024									
Gross carrying amount									
Opening Gross carrying amount	6,682.08	7,406.79	8,825.63	337.34	253.30	207.34	111.43	23,823.91	181.50
Additions	236.96	40.91	1,584.58	-	14.57	37.21	12.54	1,926.77	1,664.30
Assets reclassified from asset held for sale	185.94							185.94	-
Disposals/discarded			(16.02)		(2.46)	(6.77)	(0.24)	(25.49)	(1,536.43)
Closing gross carrying amount	7,104.98	7,447.70	10,394.19	337.34	265.41	237.78	123.73	25,911.13	309.37
Accumulated depreciation									
Opening accumulated depreciation	-	1,477.81	3,603.20	183.47	185.46	135.55	83.46	5,668.95	-
Depreciation charge during the year	-	356.81	570.34	24.59	14.53	28.47	12.76	1,007.50	
Disposals/discarded	-		(13.74)		(2.35)	(5.88)	(0.23)	(22.20)	
Closing accumulated depreciation	-	1,834.62	4,159.80	208.06	197.64	158.14	95.99	6,654.25	-
Net carrying amount as at March 31, 2024	**7,104.98**	**5,613.08**	**6,234.39**	**129.28**	**67.77**	**79.64**	**27.74**	**19,256.88**	**309.37**

Notes to Property, plant and equipment

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

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

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

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

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

	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	181.50	-	-	-	181.50
(b) Projects temporarily Suspended	-	-	-	-	-
	181.50	-	-	-	181.50

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2023-24 and 2022-23

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Note 3(b): Right -of -use asset		
Land (Gross Carrying value)	80.16	80.16
Additions	5.00	-
Opening accumulated deprecation	(4.85)	(4.04)
Depreciations	(0.84)	(0.81)
Closing carrying value	**79.47**	**75.31**

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, 2023				
Gross carrying amount				
Opening gross carrying amount	54.99	811.37	162.18	1,028.54
Additions	0.59	79.81	-	80.40
Closing gross carrying amount	55.58	891.18	162.18	1,108.94
Accumulated amortisation				
Opening accumulated amortisation	46.97	220.13	2.76	269.86
Amortisation charge during the year	2.00	97.48	32.44	131.92
Closing accumulated amortisation	48.97	317.61	35.20	401.78
Net carrying amount as at March 31, 2023	**6.61**	**573.57**	**126.98**	**707.16**
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	162.18	1,108.94
Additions	-	-	126.60	126.60
Closing gross carrying amount	55.58	891.18	288.78	1,235.54
Accumulated amortisation				
Opening accumulated amortization	48.97	317.61	35.20	401.78
Amortisation charge during the year	0.50	97.48	45.37	143.35
Closing accumulated amortisation	49.47	415.09	80.57	545.13
Net carrying amount as at March 31, 2024	**6.11**	**476.09**	**208.21**	**690.41**

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

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Note 6 : Income tax assets (net)		
(i) Non current		
Advance taxes (net of provision for tax of Rs. nil lakhs ; March 31, 2023 : ₹ 68.46 lakhs)	2.86	69.38
Total Income tax assets (net)	**2.86**	**69.38**
Note 7 : Other assets		
(i) Non-current		
Capital advances	182.08	216.39
Advances other than capital advances:		
Security deposits	148.63	215.29
Pre-paid expenses	44.90	50.13
Total other non-current assets	**375.61**	**481.81**
(ii) Current		
Balances with government authorities	428.96	560.93
Prepaid expenses	275.54	210.71
Advances to suppliers	3,650.83	817.12
Other receivables	138.19	106.17
Total other current assets	**4,493.52**	**1,694.93**

	As at March 31, 2024	As at March 31, 2023
Note 8: Inventories (valued at lower of cost and net realisable value)		
Raw materials	4,648.55	3,049.16
Work-in-progress	3,342.94	3,251.55
Finished goods	239.93	1,100.81
Stores and spares	554.57	570.72
Scrap (at net realisable value)	1.02	1.77
Total inventories	**8,787.01**	**7,974.01**
Raw materials includes stock in transit of	45.98	492.00

Note 8 (a): Refer note 41 for information on inventories provided as security by the parent company.

Note 8 (b): Quarterly returns or statements of current assets filed by the parent company with banks or financial institutions are in agreement with the books of accounts.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Note 9: Trade receivables

(i) Current

Trade receivables from contract with customers - Billed	7,183.26	5,714.22
Trade receivables from contract with customers - Unbilled	214.21	241.47
Less: Provision for expected credit loss (Refer note:30(A))	132.14	589.05
Total trade receivables	**7,265.33**	**5,366.64**

Note 9(a): Refer note 41 for information on trade receivables provided as security by the parent company.

Note 9 (b): Breakup of security details:

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	7,397.47	5,955.69
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	7,397.47	**5,955.69**
Less: Provision for expected credit loss (Refer note:30(A))	132.14	589.05
Balance at the end of the year	**7,265.33**	**5,366.64**

Note 9(c): Trade Receivables ageing as at March 31, 2024

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

Note 9(d): Trade Receivables ageing as at March 31, 2023

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	1,564.53	2,065.48	1,051.63	325.75	87.99	824.58	5,919.96
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	35.73	35.73
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Note 10: Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks *		
in Current accounts	16.80	9.23
in EEFC accounts	-	0.10
Deposits with banks with original maturity is less than three months	2,000.54	25.97
Cash on hand	2.39	2.11
Total cash and cash equivalents	**2,019.73**	**37.41**

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

Note 11: Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks	13.60	15.96
Deposits with original maturity over 3 months but less than 12 months	8.66	72.06
Margin money deposits with banks	882.41	574.63
Total bank balances other than cash and cash equivalents	**904.67**	**662.65**

* Earmarked balances represent unpaid dividend.

Note 12: Equity share capital

Movement of equity share capital during the year

Authorised :

(face value of each ₹ 10/-)	Number of shares	Amount
As at April 01, 2022	1,50,00,000	1,500.00
Change during the year		-
As at March 31, 2023	**1,50,00,000**	**1,500.00**
Change during the year	-	-
As at March 31, 2024	**1,50,00,000**	**1,500.00**

Issued, Subscribed and paid up :

(face value of each ₹ 10/-)	Number of shares	Amount
As at April 01, 2022	1,07,52,239	1,075.22
Change during the year	-	-
As at March 31, 2023	**1,07,52,239**	**1,075.22**
Change during the year	-	-
As at March 31, 2024	**1,07,52,239**	**1,075.22**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Dr. A.N.Gupta	26,20,183	24.37%	26,20,183	24.37%
Dr. (Mrs.) Kailash Gupta	11,67,467	10.86%	11,67,467	10.86%
A. N. Gupta (HUF)	6,56,697	6.11%	6,56,697	6.11%
Dilip Kumar Lakhi	1,92,830	1.79%	7,07,464	6.58%
HDFC Trustee Company Limited-HDFC Infrastructure	9,97,803	9.28%	-	0.00%

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2024		% Change during the year	As at March 31, 2023		% Change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
1) Dr. A.N.Gupta	26,20,183	24.37%	0.00%	26,20,183	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	11,67,467	10.86%	0.00%	11,67,467	10.86%	0.00%
3) A. N. Gupta (HUF)	6,56,697	6.11%	0.00%	6,56,697	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, 2024	As at March 31, 2023

Note 13: Borrowings

(i) Non-current

Term Loans:

Secured -At Amortised Cost

From Banks	1,978.79	507.93
Less: Current maturities of long-term debt	(728.79)	(279.00)
Total non-current borrowings	**1,250.00**	**228.93**

Note 13 (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 parent company and personal guarantee by Managing Director of the parent company.

Note 13 (b): Repayment terms: Secured term loan comprises of 24 equal monthly instalments of ₹ 14.92 lakhs each,18 equal monthly instalments of ₹ 8.33 lakhs and 16 quarterly installment of ₹ 125.00 Lakhs with an applicable interest rate lies 9.25% to 10.95% respectively as on the reporting date.

(All amounts in INR lakhs, unless otherwise stated)

(ii) Current

	Rate of Interest (%)	As at March 31, 2024	As at March 31, 2023
Payable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	9.70 to 10.45	2,000.79	5,918.77
Buyers credit from bank	7.56 to 8.33	442.87	202.55
Packing Credit	4.5 to 7.00	332.00	1,158.52
Current maturities of long-term borrowings	9.25 to 10.95	728.79	279.00
Interest accrued but not due		3.96	6.91
Unsecured -At Amortised Cost			
Loans from related parties (Refer note :40)	7 to 9.70	519.05	505.69
Loan from Banks	8.95 to 9.95	871.92	-
Total current borrowings		**4,899.38**	**8,071.44**

Note 13(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 parent company and personal guarantee of managing director of the company.

Note 13 (d): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

Note .14 Other financial liabilities

i) Non-current

Dealership deposits	1.20	2.20
Earnest money deposit	6.45	6.45
	7.65	**8.65**

(ii) Current

Unclaimed dividend (Refer note : 14.1)	13.60	15.96
Capital creditors	112.64	299.99
Employee benefits payable	482.82	386.70
Creditors for expenses	721.72	447.35
Total other financial liabilities	**1,330.78**	**1,150.00**

Note 14.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 15: Provisions

Employee benefit obligations			
(i)	**non-current**		
	Gratuity (Refer note: 23(a))	782.88	524.21
	Leave encashment	200.81	176.99
	Total non-current provisions	**983.69**	**701.20**
(ii)	**Current**		
	Gratuity (Refer note: 23(a))	79.62	64.93
	Leave encashment	74.26	69.40
	Total current provisions	**153.88**	**134.33**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Note16: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	2,297.85	2,103.51
MAT credit entitlement	(481.80)	(83.74)
Expenses allowable on the basis of payment	(386.92)	(337.08)
Carry forwarded Losses	-	(656.69)
Provision for expected credit losses	(38.48)	(163.87)
Deferred tax (assets) / liabilities (net)	**1,390.65**	**862.13**

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Provision for expected credit losses	Carry forwarded Losses	MAT credit entitlement	Expenses allowable on the basis of payment	Total
As at April 01, 2022	2,038.72	(145.95)	(799.78)	(24.27)	(372.15)	696.57
Charged/(credited)						
- to profit or loss	64.79	(17.92)	143.09	(59.47)	37.00	167.49
- to other comprehensive income	-	-	-	-	(1.93)	(1.93)
As at March 31, 2023	**2,103.51**	**(163.87)**	**(656.69)**	**(83.74)**	**(337.08)**	**862.13**
Charged / (credited)						
- to profit or loss	194.34	125.39	656.69	(398.06)	(5.39)	572.97
- to other comprehensive income	-	-	-	-	(44.45)	(44.45)
As at March 31, 2024	**2,297.85**	**(38.48)**	**-**	**(481.80)**	**(386.92)**	**1,390.65**

Note 17: Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory taxes payable	62.79	59.84
Advance from customers	9,901.92	3,186.30
Total other current liabilities	**9,964.71**	**3,246.14**

Note 18: Current tax liabilities (net)

Provision for taxation (Net of Prepaid taxes ₹ 713.37 Lakhs)	496.63	-
Provision for interest on income tax	8.85	8.85
Total current tax liabilities (net)	**505.48**	**8.85**

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023

Note 19: Revenue from operations

Revenue from contracts with customers		
- Sale of products	24,387.83	16,022.71
- Sale of traded goods	227.87	723.30
- Sale of services	2,422.80	3,407.54
	27,038.50	**20,153.55**
Other operating revenue	133.17	49.46
Total revenue from operations	**27,171.67**	**20,203.01**

	For the year ended March 31, 2024	For the year ended March 31, 2023

Disaggregation of revenue from contracts with customers

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

Geographical location		
- India	20,192.90	16,858.43
- Other countries	6,978.77	3,344.58
Total	**27,171.67**	**20,203.01**

Information about major customers:

Three customers represents 10% or more of the Group's total revenue during the year ended March 31, 2024 and One customer represents 10% or more of the Groups' total revenue during the year ended March 31, 2023.

Contract Price Reconciliation

Contract Price	27,782.23	20,457.62
Less: Variable consideration	610.56	254.61
	27,171.67	**20,203.01**

Note 20: Other income

Interest income from financial assets at amortised cost	53.38	70.33
Profit on disposal of Property, Plant & Equipment	0.28	-
Net gain on foreign currency transactions and translations	59.46	-
Excess liabilities written back	1.35	92.40
Credit balances written back	12.98	36.64
Other non-operating income	287.41	17.21
Total other income	**414.86**	**216.58**

Note 21: Cost of raw materials consumed

Raw materials at the beginning of the year	3,049.16	1,480.72
Add: Purchases	11,764.09	12,335.41
Less: Insurance claims received	94.00	-
Less: Raw materials at the end of the year	4,648.55	3,049.16
Total cost of raw materials consumed	**10,070.70**	**10,766.97**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Note 22: Changes in inventories of finished goods, work-in-progress and scrap		
Opening Balance:		
Finished goods	1,100.81	353.34
Work-in-progress	3,251.55	1,229.20
Scrap	1.77	2.49
	4,354.13	**1,585.03**
Closing Balance:		
Finished goods	239.93	1,100.81
Work-in-progress	3,342.94	3,251.55
Scrap	1.02	1.77
	3,583.89	**4,354.13**
Total changes in inventories of finished goods, work-in-progress and scrap	**770.24**	**(2,769.10)**
Note 23: Employee benefits expense		
Salaries, wages, bonus and other allowances	5,189.85	4,564.82
Contribution to provident fund and other funds	314.54	297.07
Contribution to ESI	13.14	14.72
Staff welfare expenses	231.71	217.24
Total employee benefits expense	**5,749.24**	**5,093.85**

Note 23(a):

(i) Defined contribution plans

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

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

Employer's contribution to Provident Fund	193.35	194.34
Employer's contribution to ESI	13.14	14.72

(ii) Defined benefits plans

Post-employment obligations - Gratuity

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

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Gratuity (Funded)

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

Defined benefit obligation at beginning of the year	1,185.09	1,110.50
Current service cost	77.15	67.52
Interest cost	84.63	78.09
Actuarial (gain) / loss	153.48	7.61
Benefits paid	(107.40)	(78.63)
Defined benefit obligation at year end	1,392.95	1,185.09

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

Fair value of plan assets at beginning of year	595.95	625.98
Expected return on plan assets	40.58	42.95
Actuarial (gain) / loss	0.82	0.65
Employer's contribution	0.50	5.00
Benefits paid	(107.40)	(78.63)
Fair value of plan assets at year end	530.45	595.95

C) Reconciliation of fair value of assets and obligations

Fair value of plan assets	530.45	595.95
Present value of obligation	1,392.95	1,185.09
Amount recognised in balance sheet, surplus/(deficit)	**(862.50)**	**(589.14)**

D) Expenses recognised during the year

	For the year ended March 31, 2024	For the year ended March 31, 2023
In income statement		
Current service cost	77.15	67.52
Interest cost	84.63	78.09
Return on plan assets	(40.58)	(42.95)
Net cost	**121.20**	**102.66**
In other comprehensive income		
Actuarial (gain) / loss	(152.66)	(6.96)
Net (income) / expense for the year recognised in OCI	**273.86**	**109.62**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Discount rate	7.26%	7.48%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	15.28	15.09
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:

Defined benefit obligation	1,392.95	1,185.09
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	1,309.21	1,110.10
Decrease: -1%	1,486.28	1,268.78
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,496.54	1,277.58
Decrease: -1%	1,298.73	1,101.00
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,409.36	1,201.10
Decrease: -1%	1,374.90	1,167.47

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

Defined benefit liability and employer contributions

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

(All amounts in INR lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 7.00 years (March 31, 2023:7.73 years). The expected cash flows over the years is as follows:

	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation - gratuity		
Less than a year	80.97	65.99
Between 2-5 years	665.92	460.46
Over 6 years	1,677.39	1,429.80

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 24: Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest and finance charges on financial liabilities carried at amortised cost	694.56	621.24
Other borrowing costs	355.83	270.66
Total Finance costs	**1,050.39**	**891.90**

Note 25: Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	1,007.50	849.52
Depreciation of right-of-use assets	0.84	0.81
Amortisation of intangible assets	143.35	131.92
Total depreciation and amortisation expense	**1,151.69**	**982.25**

Note 26: Research and development expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed	6.12	11.94
Salaries, wages, bonus and other allowances	32.27	27.71
Contribution to provident and other funds	0.86	0.86
Total Research and development expenses	**39.25**	**40.51**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	195.24	147.48
Consumption of packing materials	439.56	245.80
Power and fuel	384.65	366.89
Repairs and maintenance		
- Plant and machinery	423.13	556.28
- Buildings	67.28	32.25
- Others	148.76	159.75
Insurance	100.90	84.43
Rent	15.24	55.99
Rates and taxes, excluding taxes on income	64.35	66.32
Legal and professional charges	114.16	106.45
Directors sitting fees	12.03	10.80
Travelling and conveyance	322.87	261.41
Sales commission	463.89	240.23
Carriage outward	405.28	564.76
Other selling expenses	441.64	110.86
Payments to auditors (refer note 27 (a)below)	25.52	24.72
Book deficit on assets discarded	2.41	0.04
Gross Bad debts written off		
Less: Expected credit loss provision no longer required written back		
Net bad Debts Written off	305.99	138.98
Provision for Expected credit loss	69.54	64.43
Donations	3.16	6.59
Corporate social responsibility expenditure (refer note 27 (b)below)	1.92	8.87
Security charges	159.61	141.39
Testing fees	79.59	32.25
Loss on disposal of Property, Plant & Equipment	-	42.79
Net loss on foreign currency transactions and translations	-	110.13
General expenses	218.64	201.68
Total other expenses	**4465.36**	**3781.57**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 27 (a): Details of payments to auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to auditors		
As auditors		
As statutory auditor	8.50	8.50
For quarterly reviews	7.50	7.50
In other capacities		
For GST Matters	3.00	3.00
For Certifications	3.00	2.30
Re-imbursement of expenses	1.59	1.48
Subsidiary Auditors		
As statutory auditor	1.93	1.94
Total payments to auditors	**25.52**	**24.72**

Note 27 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent as per section 135 of the Act	1.28	-
Amount of expenditure incurred during the year on		
(i) Promoting education	1.92	1.97
(ii) Promoting healthcare	-	6.90
Total Amount spent during the year	1.92	8.87
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 28: Income tax expense

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

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	647.00	68.46
	Adjustments for current tax of prior periods	-	-
	Total current tax expense	**647.00**	**68.46**
	Deferred tax		
	Decrease/ (increase) in deferred tax assets	776.70	162.17
	(Decrease)/ increase in deferred tax liabilities	(203.72)	5.32
	Total deferred tax expense/(benefit)	**572.98**	**167.49**
	Income tax expense	**1,219.98**	**235.95**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit from operations before income tax expenses	**4,061.74**	**932.47**
	Income tax expense		
	Tax at the rate of 29.12% (2022-23: 26%)	1,182.78	242.44
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income	-	9.53
	Tax effect of expenses not allowed for tax purpose	5.69	16.55
	Tax effect of expenses relating to voluntary retirement scheme	(45.71)	(45.71)
	Tax credit on loss not considered	-	(7.43)
	Tax effect of items in other comprehensive income considered for income tax	44.45	1.93
	Effect of Interest on Income tax	22.89	-
	Adjustments for current tax of prior periods	-	1.46
	Tax effect on others	9.88	17.18
	Income tax expense	**1,219.98**	**235.95**

Note 29: Financial instruments and risk management - Fair value hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

(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, 2024		As at March 31, 2023	
			Carrying Value	*Fair Value	Carrying Value	*Fair Value
A. Financial assets						
a) Measured at amortised cost						
Cash and cash equivalents	Level -3	10	2,019.73	2,019.73	37.41	37.41
Other bank balances	Level -3	11	904.67	904.67	662.65	662.65
Trade receivables	Level -3	9	7,265.33	7,265.33	5,366.64	5,366.64
Total financial assets			**10,189.73**	**10,189.73**	**6,066.70**	**6,066.70**
B. Financial liabilities						
a) Measured at amortised cost						
Trade payables	Level -3		1,557.87	1,557.87	1,580.02	1,580.02
Borrowings	Level -3	13(ii)	6,149.38	6,149.38	8,300.37	8,300.37
Other financial liabilities	Level -3	14(ii)	1,338.43	1,338.43	1,158.65	1,158.65
Total financial liabilities			**9,045.68**	**9,045.68**	**11,039.04**	**11,039.04**

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 30: Financial instruments and risk management - Financial risk management

The Group's activities expose it to Credit risk, Market risk and Liquidity risk. The Group emphasis on risk management and has an enterprise wide approach to risk management. The Group's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk:

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

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The group follows a 'simplified approach' (i.e. based on 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, 2024	As at March 31, 2023
Expected credit losses (ECL)		
Opening balance	589.05	524.62
Less: No longer required written back	(526.45)	
Add: ECL Movement during the year	69.54	64.43
Closing balance	132.14	589.05

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk:

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

- **Interest rate risk**

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

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group 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, 2024			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	21,52,407		1,794.55
Balance with banks	-	3		0.00
Deposits recoverable	-			
Total	-	21,52,410	-	1,794.55
Foreign currency liabilities				
Payables for supplies and services		4,41,069	68,500	429.54
Current borrowings		5,31,180		442.87
Capital creditors	2,032	-		2.14
Total	2,032	9,72,249	68,500	874.54
Net foreign currency assets / (liabilities)	(2,032)	11,80,161	(68,500)	920.01
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers		36,70,905	-	3,060.58
Advance from customers		20,22,879		1,686.55

	As at March 31, 2023			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	13,61,206	-	1,119.14
Balance with banks	-	123	-	0.10
Deposits Recoverable	-	1,325	-	0.89
Total	-	13,62,654	-	1,120.13
Foreign currency liabilities				
Payables for supplies and services	-	82,577	-	67.89
Current borrowings		6,10,000	2,26,038	704.07
Capital Creditors	2,032	-	-	1.94
Total	2,032	6,92,577	2,26,038.00	773.90
Net foreign currency assets / (liabilities)	(2,032)	6,70,077	(2,26,038)	346.23
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance for supplies	-	1,50,173	-	123.75
Advance for capital items		14,300		11.85
Advance from customers	-	28,91,649	-	2,369.38

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, 2024	For the year ended March 31, 2023
GBP	0.05	0.05
USD	24.55	13.80
EURO	(1.55)	(5.06)

(C) Liquidity risk:

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

The Group's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The Group invests its surplus funds in deposits with maturity of 3 months, which carry no/low mark to market risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	< 1 Year	1-3 Years	> 3 Years	Total
As at March 31, 2024				
non-current borrowings		1,250.00	-	1,250.00
Current borrowings	4,899.38	-	-	4,899.38
Trade and other payable	1,557.87	-	-	1,557.87
Other financial liabilities	1,330.78	7.65	-	1,338.43
Total financial liabilities	**7,788.03**	**1,257.65**	**-**	**9,045.68**
As at March 31, 2023				
non-current borrowings	-	228.93	-	228.93
Current borrowings	8,071.44	-	-	8,071.44
Trade and other payable	1,580.02	-	-	1,580.02
Other financial liabilities	1,150.00	8.65	-	1,158.65
Total financial liabilities	**10,801.46**	**237.58**	**-**	**11,039.04**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 31: Capital management

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

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

	As at March 31, 2024	As at March 31, 2023
Net debt	3,238.58	7,616.27
Equity	22,148.79	19,598.03
Total capital (net debt + equity)	**25,387.37**	**27,214.30**
Gearing ratio (Net debt / Total capital)	**12.76%**	**27.99%**

***Net debt is as follows**

		As at March 31, 2024	As at March 31, 2023
A)	Borrowings		
	Non-current borrowings	1,250.00	228.93
	Current borrowings	4,899.38	8,071.44
Total (A)		**6,149.38**	**8,300.37**
B)	Cash and cash equivalents	2,019.73	37.41
	Bank balances other than cash and cash equivalents	891.07	646.69
	Total (B)	**2,910.80**	**684.10**
C)	**Net debt (A-B)**	**3,238.58**	**7,616.27**

(b) Loan covenants

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

* Total net worth should be greater than Rs. 220 crores including deferred tax liabilities.

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

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

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

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

Note 32: Contingent Liabilities

	As at March 31, 2024	As at March 31, 2023
On account of Letters of credit and Guarantees issued by the bankers.	9,461.90	9,402.86
Claims against the company not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Income tax	61.84	61.84

It is not practicable for the group to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Note 33: Commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	417.95	1,304.91

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 34: Payables to Micro, Small & Medium Enterprises

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

	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid as at year-end	527.41	9.75
Interest due thereon as at year-end	-	-
Interest paid by the group in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

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

Note 34(b): Ageing of Trade Payables as at March 31, 2024

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

Note 34(c): Ageing of Trade Payables as at March 31, 2023

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	9.75	-	-	-	-	9.75
Others	202.03	1,282.88	41.46	43.85	0.05	1,570.27
(ii) Disputed Dues						-
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**211.78**	**1,282.88**	**41.46**	**43.85**	**0.05**	**1,580.02**

Note 35 : Segment information

(a) Description of segments and principal activities

The Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the business of "High Energy Materials "and operates in a single operating segment.

Three customers represents 10% or more of the Company's total revenue during the year ended March 31, 2024 and two customer represents 10% or more of the Company's total revenue during the year ended March 31, 2023.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Geographical Information

The Group mainly domiciled its activities in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	As at March 31, 2024	As at March 31, 2023
India	20,192.90	16,858.43
Rest of the world	6,978.77	3,344.58
Non-current assets		
India	20,722.62	19,678.14
Rest of the world	-	-

Note 36: 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, 2024	As at March 31, 2023
Interest in assets, liabilities with respect to jointly controlled entities are as follows:		
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities		-
Equity	**-**	**-**
Proportion of the Group's ownership	0%	0%
Carrying amount of the investment*	-	-

b) Summarised statement of profit and loss (up to 02.03.2023)

	As at March 31, 2024	As at March 31, 2023
Income		
Other income	-	-
Expenses		
Employee benefit expenses	-	-
Depreciation	-	-
Other expenses	-	4.00
Total expenses	**-**	**4.00**
Loss before tax	-	(4.00)
Tax expenses	-	-
Loss for the year	-	(4.00)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	(4.00)
Group's share of loss for the year*	-	(2.00)

The Group had no contingent liabilities or capital commitments relating to its interest in BF Premier Energy Systems Ltd. as at March 31, 2024 and March 31, 2023

During the financial year 2022-23 the company has stuck the investment made.

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 37: The subsidiaries (which along with PEL, the parent, constitute the Group) considered in preparation of these Consolidated Financial Statements are

	Relationship	Principal activity	Ownership
Indian entities			
March 31,2022			
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised iron wire	80%
PELNEXT Defense Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%

Note 38: 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 (up to March 02, 2023)	
(b)	**Key Management Personnel (KMP)**	Dr. A.N.Gupta	Chairman
		Mr. T.V.Chowdary	Managing Director
		Mr. Y. Durga Prasad Rao	Whole time Director
		Dr. (Mrs.) Kailash Gupta	Non Executive Director
		Mrs. Shonika Prasad	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
		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)	

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties

	For the year ended March 31, 2024	For the year ended March 31, 2023
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	309.36	224.12
Others		
Acceptance of unsecured loan		-
Repayment of unsecured loan	-	140.05
Interest paid	46.00	47.80
Dividend paid	65.02	57.22
Sitting fees	12.03	10.80
Capital advance given	-	50.00
Purchase of land	162.00	-
Relatives of Key Management Personnel		
Dividend paid	0.35	0.31
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	11.16	9.85
Joint Venture		
Purchase of Property, plant and equipment	-	0.05
Investment made	-	2.00
Investment written off	-	12.00
Reimbursement of expenses	-	0.73

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	41.30	9.75
Mr. T.V. Chowdary	41.30	9.75
Mr. Y. Durga Prasad Rao	20.65	4.87
Loan Payable Outstanding		
Dr. A.N.Gupta	400.27	389.87
Dr. Kailash Gupta	118.78	115.82

Notes to Consolidated 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	As at March 31, 2024	As at March 31, 2023
Interest paid		
Dr. A.N.Gupta	35.44	37.93
Dr. Kailash Gupta	10.56	9.87
Managerial remuneration paid*		
Dr. A.N.Gupta	65.30	46.06
Mr. T.V. Chowdary	164.28	123.78
Mr. Y. Durga Prasad Rao	79.78	54.28
Repayment of unsecured loans		
Dr. A.N.Gupta	-	139.70
Dr. Kailash Gupta	-	0.35
Sitting fees		
Dr. A.N.Gupta	1.40	1.70
Dr. Kailash Gupta	1.63	1.90
Mr. Anil Kumar Mehta	2.33	2.10
Mr. P.R. Tripathi	1.92	1.80
Mr. K. Rama Rao	1.82	1.30
Dr.A.Venkataraman	1.13	1.00
Mr.P.R.Kumar	0.67	0.80
Mrs. Shonika Prasad	1.13	0.20
Purchase of Property, plant and equipment		
BF Premier Energy Systems Pvt Ltd	-	0.05
Capital Advance		
Dr. A.N.Gupta	-	50.00
Purchase of land		
Dr. A.N.Gupta	162.00	-
Reimbursement of expenses		
BF Premier Energy Systems Pvt Ltd	-	0.73
Dividend paid		
Dr. A.N.Gupta	44.54	39.30
Dr. Kailash Gupta	19.85	17.51
A.N Gupta (HUF)	11.16	9.85
Investments Made		
BF Premier Energy Systems Pvt Ltd	-	2.00
Investments Written		
BF Premier Energy Systems Pvt Ltd	-	12.00

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

(i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.

(ii) The loans accepted from key managerial personnel carries interest rate at 10% per annum.

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

Note No 39: Donation to political parties

	For the year ended March 31, 2024	For the year ended March 31, 2023
Communist party of India	1.00	1.50
	1.00	**1.50**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 40: Earnings per share (EPS)

		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	**Basic and Diluted EPS**		
	Earnings per share attributable to the equity holders of the company	26.37	6.42
(b)	**Reconciliation of earnings used in calculating earnings per share**		
	Basic and Diluted earnings per share		
	Profit attributable to the equity holders of the group used in calculating earnings per share	2,835.66	690.73
(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	1,07,52,239	1,07,52,239
	Adjustments for calculation of diluted earnings per share	-	-
	Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,07,52,239	1,07,52,239

Note 41 : Assets pledged as security

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

	As at March 31, 2024	As at March 31, 2023
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	10,189.79	6,068.98
Non financial assets	13,273.11	9,662.47
Collateral security		
non-current assets		
Non financial assets	19,388.33	18,344.48
Towards current borrowings	**42,851.23**	**34,075.93**
non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	19,388.33	18,344.48
Collateral security		
Current assets		
Financial assets	10,185.67	6,065.11
Non financial assets	13,273.11	9,662.47
Towards non-current borrowings	**42,847.11**	**34,072.06**

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 42: Additional information required by Schedule III

	Premier Explosive limited	Premier Wire Products Private Limited	PELNEXT Defense Systems Private Limited	Non controlling interest	Inter-company transactions/ balances
Net assets (total assets minus total liabilities)					
Amount	22,026.28	516.92	(4.92)	131.51	(521.00)
As % of consolidated net assets	99%	2%	0%	1%	-2%
Share in profit or (loss)					
Amount	2,812.15	24.41	(0.90)	6.10	-
As % of consolidated net assets	99%	1%	0%	0%	0%
Share in other comprehensive income					
Amount	(108.21)	-	-	-	-
As % of consolidated net assets	100%	0%	0%	0%	0%
Share in total comprehensive income					
Amount	2,703.94	24.41	(0.90)	6.10	-
As % of consolidated net assets	100%	1%	0%	0%	0%

Note 43: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change in Ratio
a) Current ratio (in times)	Current Assets	Current Liabilities	1.27	1.12	14%
b) Debt-Equity ratio (in times)	Total debt	Shareholder's Equity	0.28	0.42	-34%
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	4.36	1.89	131%
d) Return on Equity ratio (in %)	Profit after tax	Average Shareholders fund's	14.00%	4.00%	10%
e) Inventory turnover ratio (in times)	Sale of Products	Average Inventory	2.91	2.73	7%
f) Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	4.30	3.23	33%
g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	7.50	6.67	12%
h) Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	5.37	11.74	-54%
i) Net profit ratio (in %)	Profit after tax	Revenue from operations	10.46%	3.45%	7.01%
j) Return on capital employed (in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	2.14%	5.59%	-3.45%

Reasons for Variance:

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

Notes to Consolidated financial statements

(All amounts in INR lakhs, unless otherwise stated)

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

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

Net Capital Turnover Ratio : Change on account of increase in working capital.

Note 44: Material Uncertainty related to Going Concern (Pelnext Defence Systems Private Limited)

During the year the company incurred loss before tax of ₹ 0.90 lakhs and the company had negative other equity of ₹ 5.92 lakhs as at 31st March, 2024. Further, owing to negative other equity as at 31st March, 2024 the Company's networth is errored completely and the current liabilities exceeded its current assets by ₹ 4.92 lakhs as at 31st March, 2024. However, the accounts of the company for the year ended 31st March, 2023 have been prepared on the Going Concern basis.

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:

	As at March 31, 2024	As at March 31, 2023
On Equity Shares of ₹10/- each		
Proposed dividend*	268.81	182.79
Proposed dividend per equity share in Rupees	2.50	1.70

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

Note 46 Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off

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

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

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

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

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

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

(ix) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

As per our report of even date

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

Kiran Kumar Majeti
Partner
Membership number: 220354
Secunderabad
May 30, 2024

Srihari Pakalapati
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

For and on behalf of the Board

Dr. A.N. Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Notice of the 44th Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of the Members of Premier Explosives Limited (the Company) will be held on Friday, the 27th day of September, 2024 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, 2024 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, 2024 together with the Reports of Auditors thereon.

2. To declare a final dividend for the financial year 2023-24.

3. To appoint a director in place of Mrs. Shonika Prasad (DIN:00250015), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business

4. **Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director:**

   To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration and benefits payable to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Non-Independent Director of the Company, for the period from 1st April, 2025 to 31st March, 2026, as set out in the Explanatory Statement annexed to the Notice, be and is hereby approved.

   FURTHER RESOLVED THAT the Board of Directors of the Company (including its Committee thereof) and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Dr. Narendra Kumar Nanda (DIN: 02455894) as an Independent Director of the Company:**

   To consider and, if though fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Dr. Narendra Kumar Nanda (DIN: 02455894), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 13, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director (under Non-Executive Category) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years i.e., from August 13, 2024 to August 12, 2029 (both days inclusive).

   RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and /or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Appointment of Dr. Gnana Sekaran Venkatasamy (DIN: 02012032) as an Independent Director of the Company:**

   To consider and, if though fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Dr. Gnana Sekaran Venkatasamy (DIN: 02012032), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 13, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director (under Non-Executive Category) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years i.e., from August 13, 2024 to August 12, 2029 (both days inclusive).

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RESOVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of Members be and is hereby accorded, for continuation of the directorship of Dr. Gnana Sekaran Venkatasamy as an Independent Director of the Company, who attains the age of 75 years during the aforesaid tenure.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and /or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. **Appointment of Mr. CH. Seshagiri Rao, (DIN: 10595215) as an Independent Director of the Company:**

To consider and, if though fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. CH. Seshagiri Rao (DIN:10595215), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 13, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director (under Non-Executive Category) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years i.e., from August 13, 2024 to August 12, 2029 (both days inclusive).

RESOVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of Members be and is hereby accorded, for continuation of the directorship of Mr. Ch Seshagiri Rao as an Independent Director of the Company, who attains the age of 75 years during the aforesaid tenure.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and /or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **Appointment of Dr. (Mrs.) Kumuda Raghavan (DIN:10698094) as an Independent Woman Director of the Company:**

To consider and, if though fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Dr. (Mrs.) Kumuda Raghavan (DIN:10698094), who was appointed as an Additional Director in the capacity of an Independent Woman Director with effect from August 13, 2024, who meets the criteria for independence as provided in Section 149(6) of the Act, read with the Rules made thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Woman Director (under Non-Executive Category) of the Company, not liable to retire by rotation, for a term of five (5) consecutive years i.e., from August 13, 2024 to August 12, 2029 (both days inclusive).

RESOVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of Members be and is hereby accorded for appointing / contining the directorship of Dr.(Mrs.) Kumuda Raghavan, who has exceeded the age of 75 years as an Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and /or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. **Ratification of remuneration payable to the Cost Auditors**

To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. S.S. Zanwar & Associates, Cost Accountants (Firm Registration No. 100283), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the cost records for the financial year 2024-25, amounting to Rs. 1,60,000/- per annum

(Rupees one lakh sixty thousand only) excluding applicable taxes and out-of-pocket expenses, if any, incurred in connection with the cost audit, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For Premier Explosives Limited

Sd/-
K. Jhansi Laxmi
Company Secretary
MNo:A16577

Place: Secunderabad
Date: August 30, 2024

Registered Office:
'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana– 500015.
Ph: 040-6614 6801 to 05, Fax:040-661406839
CIN:L24110TG1980PLC002633
Email: investors@pelgel.com
Website:www.pelgel.com

NOTES:

1. Additional information pursuant to the Secretarial Standards – 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Special Business to be transacted at this AGM are mentioned in this Notice. In respect of Special Business, the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) is annexed with this Notice.

2. Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 and subsequent Circulars issued from time to time and General Circular No. 09/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars) read with relevant circulars issued by the Securities and Exchange Board of India (SEBI), from time to time and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated October 06, 2023 (hereinafter collectively referred to as "SEBI Circulars"), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In Compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and MCA & SEBI Circulars, the 44th AGM of the members of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM

3. The Company has enabled the Members to participate at the 44th 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 44th AGM through the VC/OAVM and e-voting during the AGM ("Insta Poll").The participation at the AGM through VC/ OAVM shall be allowed on a first-come-first-served basis.

4. **Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held pursuant to the MCA Circular through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip including route map are not annexed to this Notice.**

5. Institutional / Corporate Members (i.e., other than individuals/ HUF, NRI etc) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, are required to send a scanned copy (PDF/JPEG format) of its Board or governing body Resolution/ Authorization etc, authorising its representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or e-voting at the AGM. The said Resolution/ Authorisation shall be sent to the Scrutinizer by email through its registered e-mail address to kvcr133@ gmail.com with a copy marked to evoting@kfintech.com and to the company at investors@pelgel.com.

6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 44th AGM along with the Annual Report for the financial year 2023-24 (Annual Report) is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. unless a member has requested a phsical copy of the same. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at www.pelgel.com, websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of Company's Registrar and Transfer Agent, KFintech at https://evoting.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 2023-24 and the notice of the AGM to any member.

7. Members shall have the option to vote electronically (e-voting) either before the AGM (remote e-voting) or during the AGM. In compliance with the provisions of Section 108 of the Act and the Rules made thereunder and Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the Company has provided the facility to its Members to cast their votes electronically, through e-voting services provided by KFin Technologies Limited, on all resolutions set forth in this Notice. Members attending the AGM

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through VC/OAVM, who have not cast their votes by remote e-voting shall be able to exercise their vote through e-voting during the AGM. Members, who have cast their vote by remote e-voting prior to the AGM, may attend the AGM through VC/ OAVM but shall not be entitle to cast their vote again. **The Procedure / instructions for e-voting and joining AGM are provided in this Notice.**

8. The remote e-voting period commences on Monday, September 23, 2024 (9:00 A.M.IST) and ends on Thursday, September 26, 2024 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 20, 2024, may cast their votes electronically. The remote e-voting module shall be disabled by KFin Technologies Limited for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

9. The attendance of the Members joining the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

10. In case of joint holders attending the AGM, the shareholder whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. The Board of Directors of the Company at their meeting held on May 30, 2024 has recommended a final dividend of Rs. 2.50/- per equity share of Rs. 10/- each for the financial year 2023-24, subject to approval of shareholders at its 44th AGM.

12. The Company has fixed Friday, September 20, 2024 as the "Record Date" for determining entitlement of members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.

13. Book Closure and Dividend

    i. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (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, 2024, if approved at the AGM.

    ii. The dividend of Rs. 2.50/- per equity share of Rs. 10/- each (25%), as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of tax at source (TDS), as applicable, within 30 days from the date of declaration as under:

        (a) To all the Beneficial Owners as at the end of the day on Friday, September 20, 2024 (record date), as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

        (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Friday, September 20, 2024 (record date).

    iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update/register their PAN with the Depositories (if shares are held in demat mode) and the Company / RTA (if shares held in physical form).

    iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link https://ris.kfintech.com/form15/. Shareholders are requested to note that in case their PAN is not updated/registered, the tax will be deducted at a higher rate of 20%.

    v. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by uploading the documents on the link https"//ris.kfintech.com/form15/. No communication would be accepted from Members after September 20, 2024 regarding the tax withholding matters.

    vi. TDS will be deducted at prescribed higher rates for specified persons, as per the provisions of Section 206AB of the Income Tax Act, 1961.

14. Members are requested to address all correspondence including dividend related matters to the Registrar & Share Transfer Agent (RTA) of the Company i.e. KFin Technologies Limited, Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana, Toll free Number 1800 309 4001 e-mail Id: einward.ris@kfintech.com.

15. Dividend in case of Non-KYC Compliant Folios:

    Shareholders are requested to note that pursuant to the SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN, choice of nomination, contact details, Mobile number, Bank account details and signature, if any) shall be eligible for payment of dividend in respect of such folios, only through electronic mode with effect from April 01, 2024.

Shareholders are required to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the Registrars and Transfer Agents

16. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA mentioned above or the Company Secretary of the Company or at investors@pelgel.com.

17. The Board of Directors have appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (Membership No.: F9268), as the Scrutinizer, to scrutinize the e-voting process i.e., remote e-voting and Insta Poll, in a fair and transparent manner.

18. The Scrutinizer shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairman of the Company or any person authorized in that respect. The results of voting shall be declared within two working days from the conclusion of the AGM of the company and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

19. The results of the voting declared along with the Scrutinizer's report shall be placed on the Company's website at www.pelgel.com and on the website of KFintech at https://evoting.kfintech.com. The Company shall simultaneously communicate the voting results to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

20. 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.

21. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all the documents referred to in the Notice will be available electronically for inspection by the Members during the 44th AGM. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at investors@pelgel.com before 5.00 pm. On September 21, 2024.

22. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialize their shares held by them in physical form. The ISIN in respect of the equity shares is INE863B01029.

23. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the company/registrar and transfer agents to record additional details of Members, including their PAN details, e-mail address etc. A "form" for compiling additional details is available on the Kfintech's Website at the web-link: https://ris.kfintech.com/email_ registration/. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants only and not to the Company or RTA..

    Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email IDs, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank mandate details (name of the Bank and branch details, account number, 9 digit MICR and 11 digit IFSC) etc to their respective Depository Participants (DPs) in case the shares are held by them in electronic form and to Company's Registrar and transfer Agents, KFintech, in case the shares are held by them in physical form, in prescribwed Form No. ISR-1, by quoting their folio numbers and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self- attested scanned copy of the PAN Card. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

24. 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.

25. 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).

26. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Friday, September 27, 2024. Members seeking to inspect such documents are requested to write to the Company at investors@pelgel.com.

27. 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.

28. Investor Grievance Portal maintained by Registrar and Transfer Agent (RTA))

    Members are hereby notified that our RTA, KFin Technolonies Limited, based on the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/CIR/2023/72 DATED June 08,2023, have created an

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online application which can be accessed at https://ris.kfintech.com/default.aspc>Investor Services> Investor Support.

Members are required to register / sign up, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, query, complaints, check for status, KYC details, dividend, interest, redemptions, eMeetings and e-voting details. Quick link to access the sign up page:https://kprism.kfintech.com/signup.

29. 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.

30. 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.

31. Members are requested to support the 'Green Initiative', by registering / updating their e-mail addresses and mobile numbers, with the Depository Participant in case the shares are held in electronic form and with Company's Registrars and Transfer Agents, KFintech, in case the shares are held in physical form for receiving all communication including Annual Report and other Notices from the Company electronically.

32. **PROCEDURE AND INSTRUCTIONS FOR E-VOTING:**

PROCDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 and 109 of the Act, read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, in relation to the E-voting facility provided by the listed entities, the members are provided with the facility to cast their votes electronically, through the e-Voting services provided by M/s. KFin Technologies Limited (KFintech), on all the resolutions set forth in the Notice, to those members holding shares as on September 20, 2024 (end of the day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

ii. In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", E-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs in order increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

iv. The remote e-Voting period commences on Monday, September 23, 2024 (9.00 A.M. IST) and ends on Thursday, September 26, 2024 (5.00 P.M. IST).

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, September 20, 2024, may cast their vote electronically. The remote e-voting module shall be disabled/blocked by KFintech for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

vii. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at einward.ris@kfintech.com or evoting@Kfintech.com. However, if he/she is already registered with KFintech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

viii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

ix. A person who is not a Members as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non- individual shareholders in demat mode.

Step 3 : Access to join virtual meetings (AGM) of the Company on KFintech system to participate in AGM and vote at the AGM

DETAILS ON STEP 1 ARE MENTIONED BELOW:

I) Login method for remote e-Voting for Individual shareholders holding securities in dematerialized form.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re- directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https:// eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1. **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL : https:// www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	1. **Existing user who have opted for Easi/Easiest** I. Visit URL: https://web.cdslindia.com/ myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. **User not registered for Easi/Easiest** 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.

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Individual Shareholder login through their demat accounts/ Website of Depository Participant	I.	You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-Voting facility.
	II.	Once logged-in, you will be able to see e- Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature.
	III.	Click on options available against company name or e-Voting service provider – **KFintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

DETAILS ON STEP 2 ARE MENTIONED BELOW:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL : https:// emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,).

The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Premier Explosives Limited-AGM" and click on "Submit".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s)

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting/e-voting at the AGM, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kvcr133@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/ clientservices/mobilereg/mobileemailreg.aspx

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

DETAILS ON STEP 3 ARE MENTIONED BELOW:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Members will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM on the platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/OAVM shall open 15 minutes before the commencement of AGM and shall be closed after the expiry of 15 minutes after such schedule time. The detailed instructions for participation by Members at the 44th AGM through VC/OAVM forms part of the Notes to this Notice.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email Id, mobile number at investors@pelgel.com. Questions / queries received by the Company till September 25. 2024 (5.00 P.M.) shall only be considered and responded during the AGM.

vi. Members/shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Notice of the 44th Annual General Meeting

viii. Members may note that the facility of joining/participation at the AGM through VC/OAVM shall be available for atleast 1000 Members on a first-come-first-served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM'.

OTHER INSTRUCTIONS

I. **Speaker Registration :** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened from 9.00 A.M.(IST) on September 23, 2024 to 5.00 P.M. (IST) on September 26, 2024 Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Queries :** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. by login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Queries' option which will opened from Sep[tember 23, 2024 (9.00 A.M.) to September 26, 2024 (5.00 P.M.)

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https:// evoting.kfintech.com (KFintech Website) or write at evoting@kfintech.com or einward.ris@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on the close of Friday, September 20, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:

   MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:

   MYEPWD <SPACE> 1402345612345678

3. Example for Physical:

   MYEPWD <SPACE> XXXX1234567890

If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com for all e-voting related matters.

By order of the Board
For **Premier Explosives Limited**

Sd/-
K. Jhansi Laxmi
Company Secretary
MNo:A16577

Place: Secunderabad
Date: August 30, 2024

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

Additional information pursuant to the Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of Special Business pursuant to Section 102 of the Companies Act, 2013:

Item Nos. 3, 4, 5, 6,7 & 8 of the Notice

Details of Directors seeking appointment & fixation of Remuneration at the forthcoming Annual General Meeting [pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings]

Name	Mrs. Shonika Prasad	Dr. Amarnath Gupta	Dr. Narendra Kumar Nanda
DIN	00250015	00053985	02455894
Date of birth	12/12/1975	14/04/1945	28/07/1960
Age	48 years	78 years	64 years
Date of first Appointment on the Board	07/01/2022	20/02/1980	13/08/2024
Qualifications	B.Com, MBA (Finance and International Trade)	M.Sc. (Mining & Engineering), D.Sc. (honorary)	As mentioned under Item No.5 of the Explanatory Statement
Experience & Expertise in specific functional area	Administration & Management of business	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.	As mentioned under Item No.5 of the Explanatory Statement
Terms and Conditions of appointment / reappointment	Re-appointment upon retirement by rotation	NA	Appointed as an Independent Woman Director for a period of five consecutive years effective from 13/08/2024 (for further details please refer Notice and explanatory statement)
No of shares held in the Company	NIL	26,20,183 equity shares	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Dr. Amarnath Gupta, Chairman & Non-Executive Director is her father and Dr.(Mrs.) Kailash Gupta, Non Executive Director is her mother	Spouse of Dr.(Mrs.) Kailash Gupta, Non-Executive Director & Father of Mrs. Shonika Prasad, Non-Executive Director	Dr. NK Nanda is not related to any Director of the Company.
No of Meetings of the Board attended during the year	During the FY 2023-24: Attended 5 Meetings held out of 5 meetings	During the FY 2023-24: Attended 4 Meetings held out of 5 meetings.	NIL

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Name	Mrs. Shonika Prasad	Dr. Amarnath Gupta	Dr. Narendra Kumar Nanda
Listed entities in which the person holds the directorship and the membership of committees of Board along with listed entities from which the person has resigned in the past three years.	None	NIL	NIL
Directorships held in other companies	None	• BF Premier Energy Systems Private Limited • PELNEXT Defence Systems Private Limited	Independent Director in Odisha Mining Corporation Limited & NICDIT Krishnapatnam Industrial City Development Limited Director in Minsys Mining Consultancy (OPC) Private Limited
Memberships / Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	None	Premier Explosives Limited - Audit Committee (Member) - Nomination and Remuneration Committee (Member)	Odisha Mining Corporation Limited (Audit Committee-Member) NICDIT Krishnapatnam Industrial City Development Limited (Nomination & Remuneration Committee-Member)
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Remuneration sought to be paid is the sitting fee for attending the Board/Committee meetings of the Company and the last drawn remuneration is sitting fee for attending the Board Meetings.	**Remuneration sought:** As detailed in the Explanatory Statement. **Remuneration last drawn:** For details of remuneration last drawn in FY 2023-24, please refer to the Corporate Governance Report, which is a part of this Annual Report.	NA

Item Nos. 3, 4, 5, 6,7 & 8 of the Notice

Details of Directors seeking appointment & fixation of Remuneration at the forthcoming Annual General Meeting [pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings]

Name	Dr. V G Sekaran	Mr. Ch Seshagiri Rao	Dr. (Mrs.) Kumuda Raghavan
DIN	02012032	10595215	10698094
Date of birth	03/06/1951	01/12/1950	14/07/1948
Age	73 years	74 years	76 years
Date of first Appointment on the Board	13/08/2024	13/08/2024	13/08/2024
Qualifications	As mentioned under Item No.6 of the Explanatory Statement	As mentioned under Item No.7 of the Explanatory Statement	As mentioned under Item No.8 of the Explanatory Statement
Experience & Expertise in specific functional area	As mentioned under Item No.6 of the Explanatory Statement	As mentioned under Item No.7 of the Explanatory Statement	As mentioned under Item No.8 of the Explanatory Statement
Terms and Conditions of appointment/reappointment	Appointed as an Independent Director for a period of five consecutive years effective from 13/08/2024 (for further details please refer Notice and explanatory statement)	Appointed as an Independent Director for a period of five consecutive years effective from 13/08/2024 (for further details please refer Notice and explanatory statement)	Appointed as an Independent Woman Director for a period of five consecutive years effective from 13/08/2024 (for further details please refer Notice and explanatory statement)
No of shares held in the Company	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Dr. V G Sekaran is not related to any Director of the Company.	Mr. Ch Seshagiri Rao is not related to any Director of the Company.	Dr.(Mrs.) Kumuda Raghavan is not related to any Director of the Company.
No of Meetings of the Board attended during the year	NIL	NIL	NIL
Listed entities in which the person holds the directorship and the membership of committees of Board along with listed entities from which the person has resigned in the past three years.	Independent Director in MTAR Technologies Limited	NIL	NIL
Memberships/Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	Member in CSR Committee; Stakeholders Relationship Committee & Risk Management Committee of MTAR Technologies Limited	None	None
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	**NA**	NA	NA

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Item No. 4

Dr. Amarnath Gupta, aged 79 years, is the founder promoter, Non-Executive Chairman of the Company having over 49 years of experience in manufacture, design & application of high energy materials. He is a gold medalist in Mining Engineering and has won laurels for his professional skills. The Company under his able guidance was the first to set up a manufacturing unit with totally indigenous commercial explosive technology. He has driven the company towards becoming first private sector manufacturer in India to develop and supply solid propellants to the Country's prestigious missile programmes.

He has been providing guidance, insights and counsel to the Company on various matters from time to time, as Non-Executive Chairman of the Company with effect from February 14, 2022. The key areas where he has always advised the Company, inter-alia, includes advising / developing new strategies for growth path of the Company, promoting business interests, and mentoring the leadership team of the Company. His strategic guidance over the years has added immense value to the Company.

In terms of amended provisions of Section 197 of the Companies Act 2013 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to obtain the approval of shareholders in general meeting by way of Ordinary/Special Resolution, for payment of remuneration & commission to Non-Executive Directors.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of shareholders is required to be obtained by way of Special Resolution every year, in case the annual remuneration payable to a single Non-Executive Director in that year exceeds 50% of the aggregate remuneration payable to all the Non-Executive Directors taken together. Dr. Amarnath Gupta is the only Non-Executive Director and Chairman of the Board, who is being paid remuneration. Your approval is therefore sought for the remuneration and benefits, payable to Dr. Amarnath Gupta for the period commencing from 1st April, 2025 to 31st March, 2026, as provided below:

a) Monthly remuneration of Rs. 2,00,000/- aggregating to Rs. 24,00,000/- for the period commencing from 1st April, 2025 to 31st March, 2026 and;

b) Apart from the remuneration mentioned above, commission will be paid @ 1 % of the Net Profits calculated in accordance with Section 198 of the Companies Act, 2013, every year.

In addition to sitting fees for attending the meetings of the Board/ Committee and reimbursement of all actual expenses including travel or other out of pocket expenses incurred, Dr. Amarnath Gupta would be entitled to a remuneration as mentioned above and as covered in the proposed resolution under Item No. 4 and as may be determined by the Board from time to time.

Dr. Amarnath Gupta is the founder promoter of the Company and holds 26,20,183 equity shares in the Company. Dr.(Mrs.) Kailash Gupta, Non-Executive Director is his spouse and Mrs. Shonika Prasad, Non-Executive Director, is his Daughter.

Dr. Amarnath Gupta and his relatives are interested in the Resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Special Resolution as set out in item no. 4 of the Notice for your approval.

Item No. 5

Appointment of Dr. Narendra Kumar Nanda (DIN: 02455894) as an Independent Director of the Company:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013, and the applicable Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has appointed Dr. Narendra Kumar Nanda (DIN: 02455894), at its Meeting held on July 18, 2024, as an Additional Director of the Company with effect from August 13, 2024 in the capacity of Non-Executive Independent Director for a term of five consecutive years, not liable to retire by rotation, subject to approval of the shareholders of the Company.

Further, in terms of the amended Regulation 17(!C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

A brief profile of Dr. Narendra Kumar Nanda:

Dr Nanda holds a Bachelor's Degree in Mining with a 1st Division with Distinction from Indian School of Mines, Dhanbad and a Master's Degree by Research in the area of Reliability Engineering from IIT(ISM), Dhanbad and Ph.D in Mineral Processing from Krishnadev Rai University, Ballari, Karnataka.

Dr Nanda is an expert in Mine Planning, Operation and Complete management of mineral projects in Iron Ore, Diamond, Limestone, Copper having 38 years successful experience in the Industry. He has expertise in Project Management, conceptualized the 3 MTPA steel plant construction at NMDC and supervised and monitored as Director Technical New Projects like Slurry Pipe line and Pellet Plant along with two 7 MTPA iron Ore Mine at NMDC implemented by him. He has expertise in Mineral Beneficiation and development of new material through utilization of waste. He has actively involved in the sharing and dissemination of knowledge through various technical publications and received various Honors and Awards to his credit.

Dr Nanda, presently serving as Independent Director in Odisha Mining Corporation a Gold Category State PSU of Govt. of Odisha.

The Company has, in terms of Section 160 of the Act, received a notice in writing from the member proposing the candidature of Dr. Narendra Kumar Nanda for the office of Director. The Company has received declarations from Dr. Narendra Kumar Nanda to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and

Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations Dr. NK Nanda has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Dr. N K Nanda has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and is not disqualified from being appointed as Director in terms of Section 164 of the Act. Dr. N K Nanda has also confirmed that he is in compliance with applicable Rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to his registration in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

The Company has received the requisite consent and disclosures from Dr. N K Nanda relating to his appointment. In the opinion of the Board, Dr. Narendra Kumar Nanda, fulfills the conditions specified in the Act, the Rules and SEBI Listing Regulations for appointment as an Independent Director, that he is independent of the management. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director and his association would be beneficial to the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Dr. Narendra Kumar Nanda as an Independent Director is being placed before the Members for their approval.

During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Act.

A copy of the letter of appointment of Dr. N K Nanda as an Independent Director is available for inspection to the Members (on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investors@pelgel.com.) at the Registered Office of the Company during the office hours on any working day, excluding Saturday, upto the day of the 44th AGM.

Dr. Narendra Kumar Nanda shall be entitled to receive fees for attending the meetings of the Board/Committees and also entitled to reimbursement of all actual expenses or charges including travel or other out of pocket expenses incurred by him

Disclosures as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India 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 are in anyway concerned or interested, financially or otherwise, in the proposed resolution set out at Item No.5 of the Notice.

The Board of Directors recommends the Special Resolution set forth in Item No. 5 for approval of the Members of the Company.

Item No.6

Appointment of Dr. Gnana Sekaran Venkasamy (DIN: 02012032) as an Independent Director of the Company:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013, and the applicable Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has appointed Dr. Gnana Sekaran Venkasamy (DIN: 02012032), at its Meeting held on July 18, 2024, as an Additional Director of the Company with effect from August 13, 2024 in the capacity of Non-Executive Independent Director for a term of five consecutive years, not liable to retire by rotation, subject to approval of the shareholders of the Company.

As per the Regulation 17(1A) of SEBI Listing Regulations, the approval of the shareholders is also required by way of special resolution for appointing/continuing the Directorship of any non-executive Director, who have attained the age of 75 years. Further, in terms of the amended Regulation 17(!C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

A brief profile of Dr. V G Sekaran:

Dr V G Sekaran holds a Bachelor's Degree in engineering, in the branch of Mechanical Engineering, from Madurai University, a Master's Degree in Engineering, with a Specialisation in Aeronautical Engineering from the Indian Institute of Science, Bangalore and a doctorate in philosophy from the Queen's University of Belfast.

Dr. Gnana Sekaran Venkatasamy is an eminent Missile Scientist and the Chief Designer of the Long-Range Ballistic Missile System AGNI5. He has held key roles in DRDO including Chief Controller R&D (Missiles & Strategic Systems), Programme Director to Agni Missiles and involved in development of programs of national importance such as Missiles & Strategic Systems. He has sound technical knowledge on missile systems, flight mechanics, propulsion systems and advanced technologies such as composites. He has carried out extensive research and developed many critical technologies for Indian Defence Industry.

He is honoured with various prestigious awards such as "Scientist of the year award", "Path Breaking Research/Outstanding Technology Development Award", "Technology leadership awards, among others. He is involved in framing several policies in the areas of joint collaborations and technology acquisitions both within the country and abroad during his stint with DRDO. He has served as an advisory committee member for technological development programmes and published several national and international research journals.

Dr V.G Sekaran, presently serving as Independent Director in MTAR Technologies Limited.

The Company has, in terms of Section 160 of the Act, received a notice in writing from the member proposing the candidature of Dr. V G Sekaran for the office of Director. The Company has received declarations from Dr. V G Sekaran to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing

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Regulations Dr. V G Sekaran has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Dr. V G Sekaran has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and is not disqualified from being appointed as Director in terms of Section 164 of the Act. Dr.V G Sekaran has also confirmed that he is in compliance with applicable Rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to his registration in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

The Company has received the requisite consent and disclosures from Dr. V G Sekaran relating to his appointment. In the opinion of the Board, Dr. V G Sekaran, fulfills the conditions specified in the Act, the Rules and SEBI Listing Regulations for appointment as an Independent Director, that he is independent of the management. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director and his association would be beneficial to the Company. Further, the Nomination and Remuneration Committee and Board noted that Mr. V G Sekaran, Independent Director will attain the age of seventy-five years on 02 June 2026 and his term shall be upto 12th August, 2029. The Committee and the Board reviewed the same and decided that his continuation on attaining the age of 75 years as an Independent Director is absolutely justified as he is "Next to None" in contributing for the growth and development of the Company as a great technical expert and scientist with an outstanding expertise in the relevant field.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Dr. V G Sekaran as an Independent Director is being placed before the Members for their approval.

During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Act.

A copy of the letter of appointment of Dr. V G Sekaran as an Independent Director is available for inspection to the Members (on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investors@pelgel.com.) at the Registered Office of the Company during the office hours on any working day, excluding Saturday, upto the day of the 44th AGM.

Dr. V G Sekaran shall be entitled to receive fees for attending the meetings of the Board/Committees and also entitled to reimbursement of all actual expenses or charges including travel or other out of pocket expenses incurred by him

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India 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 are in anyway concerned or interested, financially or otherwise, in the proposed resolution set out at Item No.6 of the Notice.

The Board of Directors recommends the Special Resolution set forth in Item No. 6 for approval of the Members of the Company.

Item No. 7

Appointment of Mr. CH. Seshagiri Rao, (DIN: 10595215) as an Independent Director of the Company:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013, and the applicable Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has appointed Mr. Ch. Seshagiri Rao (DIN:10595215), at its Meeting held on July 18, 2024, as an Additional Director of the Company with effect from August 13, 2024 in the capacity of Non-Executive Independent Director for a term of five consecutive years, not liable to retire by rotation, subject to approval of the shareholders of the Company.

As per the Regulation 17(1A) of SEBI Listing Regulations, the approval of the shareholders is also required by way of special resolution for appointing/continuing the Directorship of any non-executive Director, who have attained the age of 75 years. Further, in terms of the amended Regulation 17(!C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

A brief profile of Mr. Ch Seshagiri Rao:

Mr. Ch Seshagiri Rao is a Chartered Accountant from the Institute of Chartered Accountants of India.

Mr. Ch Seshagiri Rao has been engaged in professional practice as a Chartered Accountant since 1976. With over four decades of experience, he has gained expertise in conducting internal and statutory audits for corporate organizations and Banks, as well as specialization in corporate taxation.

He was Co-opted as Committee member of Expert Advisory Committee of Institute of Chartered Accountants of India, New Delhi and was co-opted as a committee member of State Level Audit Board of A.G's Office, Andhra Pradesh

The Company has, in terms of Section 160 of the Act, received a notice in writing from the member proposing the candidature of Mr. Ch. Seshagiri Rao for the office of Director. The Company has received declarations from Mr. Ch. Seshagiri Rao to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations Mr. Ch. Seshagiri Rao has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Ch. Seshagiri Rao has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Ch. Seshagiri Rao has also confirmed that he is in compliance with applicable Rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to his registration in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

The Company has received the requisite consent and disclosures from Mr. Ch. Seshagiri Rao relating to his appointment. In the opinion of the Board, Mr. Ch. Seshagiri Rao, fulfills the conditions specified in the Act, the Rules and SEBI Listing Regulations for appointment as an Independent Director, that he is independent of the management. He possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director and his association would be beneficial to the Company. Further, the Nomination and Remuneration Committee and Board noted that Mr. Ch Shesagiri Rao, Independent Director will attain the age of seventy-five years on 30 November 2025 and his term shall be upto 12th August, 2029. The Committee and the Board reviewed the same and decided that his continuation on attaining the age of 75 years as an Independent Director is absolutely justified as he has vast experience in financial field, contributing for the growth and development of the Company as a Chartered Accountant with an outstanding expertise in the relevant field.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Ch. Seshagiri Rao as an Independent Director is being placed before the Members for their approval.

During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Act.

A copy of the letter of appointment of Mr. Ch Seshagiri Rao as an Independent Director is available for inspection to the Members (on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investors@pelgel.com.) at the Registered Office of the Company during the office hours on any working day, excluding Saturday, upto the day of the 44th AGM.

Mr. Ch. Seshagiri Rao shall be entitled to receive fees for attending the meetings of the Board/Committees and also entitled to reimbursement of all actual expenses or charges including travel or other out of pocket expenses incurred by him

Disclosures as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India 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 are in anyway concerned or interested, financially or otherwise, in the proposed resolution set out at Item No.7 of the Notice.

The Board of Directors recommends the Special Resolution set forth in Item No. 7 for approval of the Members of the Company.

Item No. 8

Appointment of Dr. (Mrs.) Kumuda Raghavan (DIN:10698094) as an Independent Woman Director of the Company:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013, and the applicable Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has appointed Dr. (Mrs.) Kumuda Raghavan (DIN:10698094), aged 76 years, through the Circular Resolution on August 12, 2024, as an Additional Director of the Company with effect from August 13, 2024 in the capacity of Non-Executive Independent Woman Director for a term of five consecutive years, not liable to retire by rotation, subject to approval of the shareholders of the Company.

As per the Regulation 17(1A) of SEBI Listing Regulations, the approval of the shareholders is also required by way of special resolution for appointing/continuing the Directorship of any non-executive Director, who have attained the age of 75 years. Further, in terms of the amended Regulation 17(!C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

A brief profile of Dr. (Mrs.) Kumuda Raghavan:

Dr (Mrs.) Kumuda Raghavan (M.B.B.S) is a Doctor by profession

Dr. (Mrs.) Kumuda Raghavan, a doctor by profession and has rich experience in the industry. She actively involves in promoting community healthcare and philanthropic activities. Her services are beneficial to the Company, hence it is considered necessary to approve the appointment/continuation of her directorship on the Board of Directors of the Company.

The Company has, in terms of Section 160 of the Act, received a notice in writing from the member proposing the candidature of Dr. (Mrs.) Kumuda Raghavan for the office of Director. The Company has received declarations from Dr. (Mrs.) Kumuda Raghavan to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations Dr. (Mrs.) Kumuda Raghavan has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Dr. (Mrs.) Kumuda Raghavan has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and is not disqualified from being appointed as Director in terms of Section 164 of the Act. Dr. (Mrs.) Kumuda Raghavan has also confirmed that she is in compliance with applicable Rules of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to her registration in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

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The Company has received the requisite consent and disclosures from Dr. (Mrs.) Kumuda Raghavan relating to her appointment. In the opinion of the Board, Dr. (Mrs.) Kumuda Raghavan, fulfills the conditions specified in the Act, the Rules and SEBI Listing Regulations for appointment as an Independent Director, that she is independent of the management. She possesses appropriate skills, experience, knowledge, expertise, valuable guidance and capabilities required for the role of Independent Director and her association would be beneficial to the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Dr. (Mrs.) Kumuda Raghavan as an Independent Director is being placed before the Members for their approval.

During her tenure of appointment, she shall not be liable to retire by rotation as provided under Section 152(6) of the Act.

A copy of the letter of appointment of Dr. (Mrs.) Kumuda Raghavan as an Independent Director is available for inspection to the Members (on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investors@pelgel.com.) at the Registered Office of the Company during the office hours on any working day, excluding Saturday, upto the day of the 44th AGM.

Dr. (Mrs.) Kumuda Raghavan shall be entitled to receive fees for attending the meetings of the Board/Committees and also entitled to reimbursement of all actual expenses or charges including travel or other out of pocket expenses incurred by her

Disclosures as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India 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 are in anyway concerned or interested, financially or otherwise, in the proposed resolution set out at Item No.8 of the Notice.

The Board of Directors recommends the Special Resolution set forth in Item No. 8 for approval of the Members of the Company.

Item No. 9

Ratification of remuneration payable to the Cost Auditors

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved, the appointment of M/s. S.S. Zanwar & Associates (Registration No. 100283), Cost Accountants, as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2025, at a remuneration of Rs. 1,60,000/- per annum (Rupees one lakh sixty thousand only) excluding applicable taxes and out of pocket expenses, if any.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2024.

None of the Promoters, Directors and Key Managerial Personnel of the Company, or their relatives, is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 9 of this Notice for the approval of Members.

By order of the Board
For **Premier Explosives Limited**

Sd/-
K. Jhansi Laxmi
Company Secretary
MNo:A16577

Place: Secunderabad
Date: August 30, 2024

Premier
Explosives
Limited

Premier Explosives Limited

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